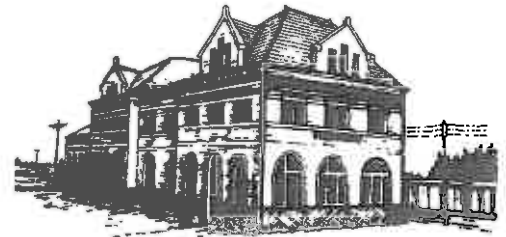


City of
CRESTON, IOWA

116 W. Adams • P.O. Box 449 • Creston, Iowa 50801-0449
Phone 641-782-2000 • Fax 641-782-6377



Creston's Restored Depot and City Hall

MAYOR: Warren Woods
COUNCIL: Randy White, Ann Levine, Marsha Wilson, Dave Koets, Gary Lybarger, Nancy Loudon, one Vacancy
CITY CLERK: Lisa Williamson
CITY ADMINISTRATOR: Mike Taylor
CITY ATTORNEY: Skip Kenyon & Todd Nielsen

Regular Meeting Agenda
City Hall/Restored Depot
Council Chambers
Tuesday, July 15, 2014
6:00 p.m.
07/11/2014 9:53 AM

1. **Call Meeting to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Consideration of Agenda**
5. **Consider Adoption of the Consent Agenda – NOTE: These items are routine items and will be enacted by one motion without separate discussion unless a Council member requests an item be removed for separate consideration.**
 1. **Minutes:** July 1, 2014 – Regular Meeting; July 3, 2014 – Special Meeting
 2. **Claims & Fund Transfers:**
 - i. **Total Claims - \$187,117.34**
 3. **Liquor License Renewals:** Elm's Club – Outdoor Service; American Legion – Outdoor Service; Montgomery Street Pub – Outdoor Service
6. **Public Forum – the Mayor and City Council welcome comments from the public on any subject pertaining to City business, including items on this agenda. You are asked to state your name and address for the record and to limit your remarks to 3 minutes in order that others may be given the opportunity to speak. The Order of Business is at the discretion of the Chair. No action will be taken.**
7. **New Business**
 1. **Motion** to accept the resignation of 2nd Ward Councilperson Loyal Winborn
 2. **Motion** authorizing the mayor to advertise for, accept applications and appoint a councilperson at the next regularly scheduled Council Meeting on August 5, 2014
 3. **Appointment** with Patrick J. O'Connell of Lynch Dallas, PC
 4. **Resolution** to approve Contract for Services between Lynch Dallas, PC and the City of Creston based on recommendation of the Finance Committee
 5. **Public Hearing** on the sale of City-owned property located at 713 S. 111th Street, Omaha, NE 68154
 6. **Resolution** to sell City-owned property located at 713 S. 111th Street, Omaha, NE 68154 to Dianna Toth for \$95,000
 7. **Resolution** to accept Engineer's Statement of Completion for the Airport Lighting Improvements Project and authorize Final Payment of \$5,000 to be paid 30 days after acceptance of the construction by resolution of Council

8. **Resolution** to accept a Community Development Block Grant in the amount of \$250,000 for the North Side Sewer Project
9. **Resolution** to accept an Immediate Safety Enhancement (ISE) Grant from Iowa Department of Transportation Office of Aviation on behalf of the Creston Municipal Airport
10. **Resolution** to approve a Letter of Engagement with Independent Public Advisors, LLC
11. **Resolution** to amend Resolution No. 157 – 14, “RESOLUTION TO APPROVE THE SALE OF A VACATED PORTION OF OAK STREET BEING LOCATED SOUTH OF UNION STREET”
12. **Appointment** with Pat Ball, Stanley Consultants, Inc., to discuss Nutrient Reduction Strategy Compliance
13. **Resolution** to special assess unpaid mowing nuisances
14. **Resolution** to place street light on existing pole at the corner of New York Ave. and Patriotic Parkway to illuminate Freedom Rock
15. **Motion** to approve Noise Permit request by Park & Rec Board for Annual McKinley Park Festival (Fireworks & Talent Show) on July 26, 2014, from 4 pm – 10 pm
16. **Motion** to approve Noise Permit request by Pastor JoAnna Davis for God’s Fire Tent Revival for every Friday (6p-9p) and Saturday (4p-8p) night in the months of August through October

8. **Other**

9. **Adjournment**

REGULAR MEETING OF THE CRESTON CITY COUNCIL JULY 1, 2014

The Creston City Council met in regular session at 6:00 o'clock p.m. on the above date in the Council Chambers of the City Hall Complex with Mayor Woods presiding.

Roll call being taken with the following Council members present: Loudon, Lybarger, Koets, Levine, Winborn and White. Wilson was absent.

White moved seconded by Winborn to approve the agenda. All voted aye. Wilson was absent. Motion declared carried.

Levine moved seconded by White to approve the consent agenda, which included approval of minutes of June 17, 2014, regular meeting; claims of \$306,089.18 and fund transfers of \$617,153.82; and liquor license renewal Casey's #3. All voted aye. Wilson was absent. Motion declared carried.

During Public Forum, Cheryl Somers, 505 W. Townline, spoke to Council regarding the "No Parking" on Townline on either side of the street. She didn't find anywhere in the traffic safety study that suggested "No Parking" on either side of the street, and doesn't understand why the Council decided to go with "No Parking" on either side of the street.

Lennie Thompson, 911 N. Spruce, spoke to Council regarding the 80 – 100 turkey buzzards that keep roosting in the 900 block of North Spruce and Sycamore Streets. He mentioned he was unable to get a response from Animal Control and then talked with the City Administrator, who suggested removing the tree if Animal Control was unable to get rid of them. After Animal Control investigated, Mr. Thompson was under the impression that the Fire Department was going to bring their air cannon over to shoot off, but they've never showed up. Mayor Woods said he would talk with the Fire Chief to see if they could get the air cannon over there to possibly scare them away.

A resolution was offered by Loudon seconded by Winborn naming the City of Creston Depositories and authorize the Mayor and Clerk to execute the proper documentation. White, Loudon, Lybarger, Koets, Levine and Winborn voted aye. Wilson was absent. Resolution declared passed.

A resolution was offered by White seconded by Loudon to participate in the planning and development programs of the Southern Iowa Council of Governments and authorize the Mayor and Clerk to execute the proper documentation. Lybarger, Koets, Levine, Winborn, White and Loudon voted aye. Wilson was absent. Resolution declared passed.

A resolution was offered by Levine seconded by White to special assess unpaid mowing nuisance abatements and authorize the Mayor and Clerk to execute the proper documentation. Loudon, Lybarger, Koets, Levine, Winborn and White voted aye. Wilson was absent. Resolution declared passed.

A resolution was offered by Levine seconded by Winborn to accept a South Central Iowa Community Foundation grant of \$10,000 on behalf of the Park & Recreation Board and authorize the Mayor and Clerk to execute the proper documentation. White, Loudon,

Lybarger, Koets, Levine and Winborn voted aye. Wilson was absent. Resolution declared passed.

A resolution was offered by Loudon seconded by Lybarger to accept a South Central Iowa Community Foundation grant of \$6,000 on behalf of the Creston Fire Department and authorize the Mayor and Clerk to execute the proper documentation. Koets, Levine, Winborn, White, Loudon and Lybarger voted aye. Wilson was absent. Resolution declared passed.

A resolution was offered by Koets seconded by White to change "NO PARKING" signs between Sycamore and Elm Streets, on Townline Street, to "NO PARKING EXCEPT SATURDAYS, SUNDAYS & HOLIDAYS" on the south side of Townline Street only, and have a set back from the corner of Sycamore Street with a sign that reads "NO PARKING HERE TO CORNER" and authorize the Mayor and Clerk to execute the proper documentation. Loudon, Lybarger, Koets, Levine, Winborn and White voted aye. Wilson was absent. Resolution declared passed.

A resolution was offered by Loudon seconded by Lybarger to approve an I & I Special Assessment per the City's I & I Policy for Mark and Kathi Miller, 1200 N. Chestnut Street, for the amount of \$1,900.00, to be paid back to the City in annual installments of \$190.00 plus six percent interest, plus a \$5.00 administrative fee due on or before September 30 each year, for a 10-year period beginning on or before September 30, 2014 and authorize the Mayor and Clerk to execute the proper documentation. Koets, Levine, Winborn, White, Loudon and Lybarger voted aye. Wilson was absent. Resolution declared passed.

A resolution was offered by Levine seconded by Loudon to approve an Immediate Safety Enhancement (ISE) Application for the Creston Municipal Airport for the trimming of trees in the existing height limitation easement for the approach to Runway End 34 and authorize the Mayor and Clerk to execute the proper documentation. Lybarger, Koets, Levine, Winborn, White and Loudon voted aye. Wilson was absent. Resolution declared passed.

Loudon moved seconded by Levine to approve a request for the temporary closing of four parking spaces in front Schweser's on July 18 and 19 for their annual sidewalk sales event. All voted aye. Wilson was absent. Motion declared carried.

Pastor JoAnna Davis addressed Council regarding the tent revivals they have been holding and formally invited Council to attend their tent revivals. They also have not received any more complaints from the neighbors located in the apartment buildings located south of the tent, as they are trying to be respectful of others during the revivals.

Pastor Davis also requested permission to hold a Prayer Parade. Mayor Woods asked her about holding it on the sidewalks rather than the streets. Councilperson Winborn feels it would be best for them to enter into one of the four parades that Creston already holds. She will take the suggestions back to her Board.

No action was taken to grant permission to Pastor Davis to hold a Prayer Parade.

Under Other, a request had previously been made by Councilperson Wilson to discuss parking during the parades, but because she was absent, there was no official discussion held.

Mayor Woods presented Councilperson Winborn with an appreciation plaque for his six and one-half years of service.

Winborn moved seconded by Loudon to adjourn the meeting. All voted aye. Wilson was absent. Council adjourned at 6:31 p.m.

Mayor

Attest:

City Clerk

SPECIAL MEETING OF THE CRESTON CITY COUNCIL JULY 3, 2014

The Creston City Council met in special session at 12:00 o'clock p.m. on the above date in the Council Chambers of the City Hall Complex with Mayor Woods presiding.

Roll call being taken with the following Council members present: Loudon, Lybarger, Koets, Wilson, and Levine. Winborn and White were absent.

Wilson moved seconded by Koets to approve the agenda. All voted aye. Winborn and White were absent. Motion declared carried.

A resolution was offered by Wilson seconded by Lybarger to set a Public Hearing on July 15, 2014, at 6:00 p.m. to sell City-owned property located at 713 S. 111th Street, Omaha, NE 68154 and authorize the Mayor and Clerk to execute the proper documentation. Koets, Wilson, Levine, Loudon and Lybarger voted aye. Winborn and White were absent. Resolution declared passed.

City Administrator Mike Taylor announced that the Iowa Department of Economic Development did approve SICOG's request to reduce the City's LMI (low-to-moderate income) rate to 28%.

Wilson moved seconded by Levine to adjourn the meeting. All voted aye. Winborn and White were absent. Council adjourned at 12:04 p.m.

Mayor

Attest:

City Clerk

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	GENERAL FUND	TRISTAR BENEFIT ADMINISTRATORS	GRP 93001 PREMIUMS-JUL'14	2,841.68
			TOTAL:	2,841.68
POLICE PROTECTION	GENERAL FUND	DESERT SNOW LLC	INTERDICTION TRAIN ABELL	590.00
		WINDSTREAM	TELEPHONE	55.08
		PETTY CASH - POLICE	USPS-CERT MAIL	11.24
		PUBLIC AGENCY TRAINING COUNCIL	BLOODSTAIN TRAIN	350.00
		SUPREME CLEANERS	UNIFORM CLEANING-JUN'14	25.50
			TOTAL:	1,031.82
DETENTION & CORRECTNS	GENERAL FUND	UNION CO AUDITOR	LEC BILLING - JUN'14	5,531.29
			TOTAL:	5,531.29
FIRE PROTECTION	GENERAL FUND	WL CONSTRUCTION SUPPLY	RESCUE BLADES	159.90
		CRESTON CITY WATER WORKS	WATER-FIRE STATION	32.40
		CRESTON PROF FIREFIGHTERS	FILTER EXTING REFILL STN	26.11
		ELECTRICAL MATERIALS CO	WIRE SUPPLIES, PWR WASHR	157.84
		WINDSTREAM	TELEPHONE	239.53
		ALLIANT ENERGY-INT PWR&LGHT	GAS	25.46
			ELECTRIC	420.96
		ECHO GROUP INC	LIGHTS FOR BAY	91.83
		PETTY CASH - FIRE	HARDEES -MEALS	18.31
			PIZZA HUT-MEALS	22.44
			FARM & HOME - PRES. WASH S	19.57
			USPS - POSTAGE	1.40
		SERVICE TECHS INC	CHAIN SAW E2	426.49
		K & J HARDWARE INC	SCISSOR LIFT RENTAL	94.00
			TOTAL:	1,736.24
BUILDING & HSNG SAFETY	GENERAL FUND	WINDSTREAM	TELEPHONE	57.40
		INTERNATIONAL ASSOC OF ELECTRICAL INSP	2014 MEMBERSHIP RENEWAL	102.00
			TOTAL:	159.40
ANIMAL CONTROL	GENERAL FUND	ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC	52.32
		KELLY TIRE & EXHAUST	2 - 225/NO/14 TIRES	244.70
			TOTAL:	297.02
STREET LIGHTING	GENERAL FUND	ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC	8,480.25
			300 W ADAMS ST LOT	21.93
			TOTAL:	8,502.18
TRAFFIC SAFETY	GENERAL FUND	ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC	899.17
			TOTAL:	899.17
AIRPORT	GENERAL FUND	WILBUR-ELLIS COMPANY	WEED KILLER	46.25
		CLAPSADDLE-GARBER ASSOCIATES INC	AIRPORT LIGHTING IMPROV	2,155.00
			ENG SERV AIRPORT PVMT RPR	2,240.00
		WASTE MANAGEMENT	DUMPSTER-JUN'14	61.96
		GATES, ALAN	LIGHTING ON CRIB-7/13 TO 6	430.32
		WINDSTREAM	TELEPHONE	163.44
		ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC	451.59
		ECHO GROUP INC	LED LIGHTS	201.75
		WEST AVIATION INC	PER FBO CONTRACT	1,354.16
			FUEL PROFIT-JUN'14	4,703.12
			TOTAL:	11,807.59

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
SOLID WASTE CLCT/DSPSL GENERAL FUND		WASTE MANAGEMENT	GARBAGE COLLECTION-JUN'14	36,040.17
		PRAIRIE SOLID WASTE AGENCY	200 W ADAMS ALLEY WASTE	10.00
			PER CAPITA ASSESSMENT-1ST	9,792.50
			TOTAL:	45,842.67
LIBRARY SERVICES	GENERAL FUND	CRESTON CITY WATER WORKS	WATER-LIBRARY	17.82
			WATER-LINCOLN SCHOOL	9.07
		WASTE MANAGEMENT	DUMPSTER-JUN'14	40.89
		WINDSTREAM	TELEPHONE	145.44
		ALLIANT ENERGY-INT PWR&LGHT	GAS	18.03
			ELECTRIC	710.14
			ELEC & GAS - LINCOLN SCHOO	79.88
			TOTAL:	1,021.27
PARKS	GENERAL FUND	CLIVE POWER EQUIPMENT	DR TRIMMER NUISANCE YDS	2,983.99
		WILBUR-ELLIS COMPANY	ROUND UP & GRD STERILANT	185.00
		AGRIVISION	DECK SWITCH,FUEL PUMP	135.38
			DECK BEARING FOR 997	196.86
		WASTE MANAGEMENT	DUMPSTER-MKNLY CAMPGRND	79.90
			DUMPSTER-JUN'14	192.60
		FARM & HOME SUPPLY INC	MISC SUPPLIES	351.48
		WINDSTREAM	TELEPHONE	53.10
		ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC	1,145.07
		ECHO GROUP INC	BASE & PARTS WALK T. LGHT	75.17
			BASE & PARTS WALK T. LGHT	39.85
		CRESTON MOTOR SUPPLY INC	TORCH GASSES	83.35
		SERVICE TECHS INC	LEAF BLOWER, OIL,TRIM HD	366.96
		K & J HARDWARE INC	CLEANING SUP, BATTERIES	37.50
			TOTAL:	5,926.21
RECREATION	GENERAL FUND	WASTE MANAGEMENT	DUMPSTER-JUN'14	76.70
		WINDSTREAM	TELEPHONE	57.40
		ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC	419.72
		RJ'S PORTABLES	PORT-A-POTTIES	150.00
			TOTAL:	703.82
CEMETERY	GENERAL FUND	WHEELER, RODNEY	2 TRIMMER HEADS	110.64
		WASTE MANAGEMENT	DUMPSTER-JUN'14	61.96
		WINDSTREAM	TELEPHONE	55.08
		ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC	113.32
		PETTY CASH - CEMETERY	AGRIVISION-BLADE BOLT	3.02
			AGRIVISION-OIL FILTER WREN	5.23
			TOTAL:	349.25
SWIMMING POOL	GENERAL FUND	RALSTON, KATHRYN THORNE	REFUND SWIM LESSONS	35.00
		CLAUSEN, DEB	REFUND SWIM LESSONS	70.00
		ACCO UNLIMITED CORPORATION	REFILL CHLORINE & REAGENT	498.05
		WINDSTREAM	TELEPHONE	80.33
		HYGIENIC LABORATORY-AR	COLIFORM BACTERIA TEST	12.00
		ALLIANT ENERGY-INT PWR&LGHT	GAS	18.03
			ELECTRIC	1,360.97
		PETTY CASH - RECREATION	MEDICAP-ICE PACKS	16.00
			MEDICAP-ICE PACKS	17.43
		QUALSETH, DANNE	REFUND POOL PARTY	150.00
		K & J HARDWARE INC	CLEANING SUP, BATTERIES	34.64
		UNION CO TREASURER	2014 POOL INSPECTION	463.00

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
TOTAL:				2,755.45
EC DEVELOPMENT	GENERAL FUND	UNION CO DEVELOPMENT ASSOCIATION	1/2 VISIT CNTR UTIL JAN-JU	269.66
TOTAL:				269.66
LEGISLATIVE	GENERAL FUND	LOUDON, NANCY	IA LEAGUE CITY CONF	195.00
TOTAL:				195.00
ADMINISTRATIVE	GENERAL FUND	WOODS, WARREN	REIMBURSE MILEAGE	81.76
TOTAL:				81.76
FINANCIAL ADMINISTRATN	GENERAL FUND	INFO DOG SECURITY, LLC	SHRED SVC-JUN'14	30.00
		INDEPENDENT PUBLIC ADVISORS, LLC	QTR RETAINER SVC	2,000.00
		BANKERS LEASING CO	COPIER LEASE MAINTENANCE	342.31
		CRESTON PUBLISHING CO	LEGAL ADS/NOTICES-JUN'14	908.72
		WINDSTREAM	TELEPHONE	315.72
		ALLIANT ENERGY-INT PWR&LGHT	1707 W ADAMS ELEC-GAS	104.98
		OFFICE DEPOT	OFFICE SUPPLIES	62.13
		TROPHY SHOP	SERVICE PLAQUE-WINBORN	42.80
TOTAL:				3,806.66
LEGAL SERVICES	GENERAL FUND	AHLERS & COONEY, P.C.	PROF SVC JUN'14	312.00
		KENYON & NIELSEN PC-ATTYS AT LAW	PROF SVCS-JUN'14	321.00
TOTAL:				633.00
CITY HALL	GENERAL FUND	WALKER COEN LORENTZEN ARCHITECTS	PROF SERVICES PHASE2	5,381.25
		ALLIANT ENERGY-INT PWR&LGHT	GAS	102.14
			ELECTRIC	809.24
		INNOVATIVE INDUSTRIES INC	JANITORIAL SVC-JUN'14	380.00
		ECHO GROUP INC	EXIT SIGN	56.58
TOTAL:				6,729.21
INSURANCE (GENERAL)	GENERAL FUND	TYLER INSURANCE SERVICES INC	ADD HYDRAULIC HAMMER	34.00
TOTAL:				34.00
NON-DEPARTMENTAL	ROAD USE TAX	TRISTAR BENEFIT ADMINISTRATORS	GRP 93001 PREMIUMS-JUL'14	1,458.86
TOTAL:				1,458.86
ROAD MAINTENANCE	ROAD USE TAX	NORRIS ASPHALT PAVING COMPANY	32.05T ASPHALT	2,564.00
		OMG MIDWEST, INC.	4.25 YD C4	587.40
		ARAMARK UNIFORM & CAREER APPAREL GROUP	LAUNDRY SERVICE	28.50
		DIAMOND VOGEL PAINTS	STREET PAINTER REPAIR	309.15
		FARM & HOME SUPPLY INC	SPRAYER, SPRAY GUN	239.85
		WINDSTREAM	TELEPHONE	176.10
		GRIMES ASPHALT & PAVING CORP	15.83T COLD PATCH	2,311.18
		ALLIANT ENERGY-INT PWR&LGHT	GAS	77.16
			ELECTRIC	424.17
		OFFICE DEPOT	CALCULATOR	7.54
		AGRILAND FS INC	1290.1G UNLD, 1380.5G DSL	8,475.71
			BIO-TEK	50.12
		SCHILDBERG CONSTRUCTION COMPANY INC	16.49T 1 1/2" CLEAN	230.86
			16T 3/8" CHIPS	236.00
			22.38T CLASS D, 14.15T CL	457.71
			43.4T CLASS D ROAD	503.44
TOTAL:				16,678.89

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
ADMIN-STREETS(ENGINR)	ROAD USE TAX	WINDSTREAM	TELEPHONE	57.40
			TOTAL:	57.40
SELF FUNDING INSURANCE	PAYROLL TAX BENEFIT	TRISTAR BENEFIT ADMINISTRATORS	GRP 93001 PREMIUMS-JUL'14	22,628.87
		UNITED STATES TREASURY	FORM 720 - PCORI FEE	205.00
			TOTAL:	22,833.87
POLICE FORFEITURE	POLICE FORFEITURE	K & J HARDWARE INC	DOG FOOD	31.99
			TOTAL:	31.99
MC KINLEY PARK RENOVAT	RESTRICTED GIFTS-M	SOUND CONCEPTS INC	CONCERT STAGE SOUND RENTAL	5,570.00
		SUPERTEL INN & CONFERENCE CENTER	CONCERT HOTEL ROOMS	1,231.84
		UNITED BRICK AND TILE CO	2 NAME MEM. BRICK	47.15
			2 NAME MEM. BRICK	47.15
			TOTAL:	6,896.14
LIBRARY(RESTRICTED GIF	RESTRICTED GIFTS-L	OFFICE DEPOT	BANKER'S LAMPS	82.24
		PETTY CASH - LIBRARY	WALMART-CRAFT SUPPLIES	9.81
			WALMART-PEROXIDE, SHRINK WR	8.99
			TOTAL:	101.04
NON-DEPARTMENTAL	SEWER OPERATING FU	TRISTAR BENEFIT ADMINISTRATORS	GRP 93001 PREMIUMS-JUL'14	437.70
			TOTAL:	437.70
SANITARY SEWER/WASTWTR	SEWER OPERATING FU	MILLER, MARK & KATHI	I&I SPECIAL ASSESSMENT	1,900.00
		BRYANT, JIM	REIMBURSE I&I	500.00
		GIZA, JOHN & SHERRILL	I&I REIMBURSEMENT	500.00
		FRY, RICK & ROBIN	I&I REIMBURSEMENT	500.00
		DRAKE, BOB	I&I REIMBURSEMENT	500.00
		B M SALES	CASE OF TOWELS	90.50
		CRESTON CITY WATER WORKS	1/2 ONE CALLS-JUN'14	61.65
		WASTE MANAGEMENT	DUMPSTER-JUN'14	75.14
		WINDSTREAM	TELEPHONE	423.53
		HYGIENIC LABORATORY-AR	2 NH3'S	38.00
			WETT TEST	446.00
			2NH3'S	38.00
			2 NH3'S	38.00
			2NH3'S	38.00
			2 NH3'S	38.00
			2 BOD'S	72.00
			SLUDGE METALS	329.00
			N&P	76.00
			2 BOD'S	72.00
			2 BOD'S	72.00
			PLANT METALS	118.00
		ALLIANT ENERGY-INT PWR&LGHT	GAS	966.42
			ELECTRIC	5,083.91
		ECHO GROUP INC	FUESES, FITTINGS, CONDUIT	79.12
			FUESES, FITTINGS, CONDUIT	10.60
		MIDWEST LABORATORIES INC	SOIL SAMPLING	70.40
		CRESTON MOTOR SUPPLY INC	BELTS	62.28
			BATTERIES	262.35
		OFFICE DEPOT	STICKY NOTES	8.34
		UPS	POSTAGE	24.86
			POSTAGE	33.58
		USA BLUE BOOK	SEWER DYE 48154	314.64

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			FILTERS #39280	285.60
			CHART PAPER	78.39
			CHART PAPER	78.39
			FREIGHT	22.60
			TOTAL:	13,307.30
ANIMAL CONTROL	ANIMAL SHELTER *AG AFTON VETERINARY CLINIC		EMGCY MED CAT PAM PASKE	45.00
	CRESTON PUBLISHING CO		CARE ADS-JUN'14	40.25
	CRESTON VET CLINIC PC		CREDIT DISCOUNT-JUN'14	82.42-
			NEUTER DOG WILL SHUTT	60.00
			VACC, BOARD LUCKY-P. DOG	386.95
			TEST & VACC 2 POUND CATS	204.00
			BOARD TINY KITTEN 2WKS	61.00
			TOTAL:	714.78

===== FUND TOTALS =====

001	GENERAL FUND	101,154.35
110	ROAD USE TAX	18,195.15
112	PAYROLL TAX BENEFIT	22,833.87
120	POLICE FORFEITURE	31.99
166	RESTRICTED GIFTS-MCKNLY P	6,896.14
167	RESTRICTED GIFTS-LIBRARY	101.04
610	SEWER OPERATING FUND	13,745.00
953	ANIMAL SHELTER *AGENCY FU	714.78

GRAND TOTAL:	163,672.32
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CITY OF CRESTON
MANUAL CHECKS/DEBITS - PERIOD ENDING 07/15/14

SELF FUNDING INSURANCE

TRISTAR BENEFIT	INV CHECK RUN	17,450.21
TRISTAR BENEFIT	INV CHECK RUN	4,884.81
KABEL	FLEX	95.00

SELF FUNDING INSURANCE	TOTAL	22,430.02
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FINANCE DEPARTMENT
UNION CO RECORDER

RECORDING FEES	54.00
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FINANCE DEPARTMENT	TOTAL	54.00
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POOL
IOWA DEPT OF REVENUE
POOL DEPARTMENT

SALES TAX	939.00
TOTAL	939.00

STREET DEPARTMENT
UNION CO RECORDER
STREET DEPARTMENT

RECORDING FEES	8.50
TOTAL	8.50

WWTP
UNION CO RECORDER
WWTP DEPARTMENT

RECORDING FEES	13.50
TOTAL	13.50

MANUAL CHECKS/DEBITS TOTAL

23,445.02

CONTRACT FOR SERVICES BETWEEN LYNCH DALLAS, P.C. AND THE CITY OF CRESTON, IOWA

It is agreed to by the undersigned parties that Lynch Dallas, P.C. shall provide the following services for the 2014-2015 fiscal year.

CONTRACT NEGOTIATIONS

Conduct all negotiations on behalf of the City of Creston ("City") with Teamsters Local 238, Police Department; Teamsters Local 238, Fire Department; and Operating Engineers, Local 234, Blue Collar, and represent the City in all collective bargaining matters.

Negotiations will be conducted through and include mediation, but do not include costs relating to arbitration.

Lynch Dallas, P.C. shall attend all required negotiation strategy sessions with the City Council or designee.

The fee for the services listed above will be \$8300 (\$2766.67 per contract) payable in 12 equal monthly installments of \$691.67 commencing in July. Any work done outside of this agreement will be at an hourly rate of one hundred sixty-five dollars (\$175.00).

GRIEVANCE CONSULTING

The firm will be available for consultation on all grievances that the City may receive during the fiscal year. Such service will be provided from the time a potential grievance arises through the response level of the grievance procedure. Once a party requests impasse services, work will be done on the hourly basis stated above.

CONTRACT ADMINISTRATION

Lynch Dallas, P.C. will conduct contract administration training and contract review sessions with the City at various times throughout the year, upon request.

HUMAN RESOURCE SERVICES

The firm will be available to answer any contract personnel questions during the fiscal year and there will be no additional charge other than the flat fee amount *unless* it requires research time, in which case the City will be billed on an hourly basis.

RENEWAL AND CANCELLATION

This contract shall automatically renew beyond the 2015 fiscal year at the same rates as set forth herein unless:

- Either party provides written notice of cancellation by March 1.

- Lynch Dallas, P.C. provides written notice of a rate increase by July 1, in which case the City shall have thirty (30) days from receipt in which to provide written notice of cancellation.

The firm will type and edit all negotiated agreements and provide original copy for printing. Printing of the agreements is the responsibility of the City.

The firm will prepare and submit any necessary forms or negotiation reports that may be required by PERB, or other agencies.

Lynch Dallas, P.C. will be available at any time to answer any questions related to collective bargaining and the administration of the negotiated agreement.

ADDITIONAL SERVICES AND COSTS

Representation of the City at any interest arbitration, grievance arbitration, PERB hearings, terminations or related litigation, would not be included in the fixed fee quoted. The fee for these additional services will vary depending on the nature of the case and the amount of preparation required, but shall not exceed one hundred sixty-five dollars (\$175.00) per hour. The hourly billing will begin as soon as either said makes an impasse request, or as soon as preparation begins for any hearing.

City of Creston

Date

Lynch Dallas, P.C.

Date

Engineer's Statement of Completion

Project: Lighting Improvements
Creston Municipal Airport
Creston, Iowa 50801

Contractor: Kimery Electric
4862 84th Street
Urbandale, Iowa 50322

TO: City of Creston, Iowa

I hereby state that the construction of the Lighting Improvements Project at the Creston Municipal Airport by a Contract dated August 29, 2013, has been substantially completed in general compliance with the terms, conditions, and stipulations of said Contract. The work was substantially completed within the specified thirty (30) working days for the project.

I further state that the total amount due to the Contractor for the fulfillment of said Contract is One Hundred Forty Nine Thousand Three Hundred Four and 50/100 dollars (\$149,304.50). The derivation of this total amount is tabulated on the attached sheets.

The project retainage had been reduced to \$5,000.00 on the previous Construction Progress Payment. The remaining retainage in the amount of \$5,000.00 shall be paid thirty (30) days after the acceptance of the construction by resolution of the Council. The Contractor will receive interest on any unpaid balance at the maximum legal rate from and after thirty (30) days following acceptance of the project by the Council.

CLAPSADDLE-GARBER ASSOCIATES, INC.



Joseph P. Roenfeldt, P.E.
Iowa License No. 21134

Date: June 27, 2014

Accepted by:

Resolution: _____ Date: _____

Distribution: Engineer
Contractor
FAA
City

Signed: _____

Attest: _____

CONSTRUCTION PROGRESS PAYMENT

Project Description: Creston Municipal Airport - Lighting Improvements

Date of Contract: 8/29/2013
Completion Date: 30 Working Days

Estimate No: Final

Contractor: Kimery Electric
4862 84th Street
Urbandale, Iowa 50322

Owner: City of Creston
116 West Adams Street
Creston, Iowa 50801

Base Contract Price	\$160,900.00	Materials on Hand (See Attached Tab)	\$0.00
Work Order No. 1	-\$1,516.50	Construction Completed (See Attached Tab)	\$149,304.50
Work Order No.		Total Amount Earned	\$149,304.50
Work Order No.		Less Retainage	\$0.00
Work Order No.		Less Previous Payment	\$144,304.50
Work Order No.		AMOUNT DUE THIS ESTIMATE	\$5,000.00
TOTAL CONTRACT PRICE	\$159,383.50		

Requested For Contractor By

Dean Kimery

Title

owner

Date

6-10-14

Recommended By Engineer

Joseph P. Roenfeldt

Joseph P. Roenfeldt, P.E.

Title

Project Engineer

Date

6/27/14

Approved For Owner By

Title

Date

TABULATION OF CONSTRUCTION QUANTITIES

PROJECT: Creston Municipal Airport - Lighting Improvements
 PROJECT NUMBER: 4398.06
 ESTIMATE NO.: Final

FOR THE PERIOD
 FROM: 12/19/2014
 TO: 6/2/2014

Item No.	Item Description	Contract Quantity and Units	Unit Price	Total To Date Quantity	Total To Date Cost	Previous Period Quantity	Previous Period Cost	Completed This Period Quantity	Completed This Period Cost
1	Safety Plan Compliance Document	1 LS	\$1,000.00	1	\$1,000.00	1	\$1,000.00	0	\$0.00
2	CSPP and SPCA Compliance	1 LS	\$1,000.00	1	\$1,000.00	1	\$1,000.00	0	\$0.00
3	Mobilization	1 LS	\$6,000.00	1	\$6,000.00	1	\$6,000.00	0	\$0.00
4	#8, 5KV, 7 Strand, Type C Cable	1 13,320 LF	\$1.20	11,175	\$13,410.00	11,175	\$13,410.00	0	\$0.00
5	#6 Bare Counterpoise Wire, Installed in Trench	1 12,685 LF	\$1.70	11,510	\$19,567.00	11,510	\$19,567.00	0	\$0.00
6	Connection of Runway/Taxiway Series Circuit	1 LS	\$1,500.00	1	\$1,500.00	1	\$1,500.00	0	\$0.00
7	1-Way, 2 Inch Schedule 40 PVC Conduit, DEB	1 10,500 LF	\$2.50	10,849	\$27,122.50	10,849	\$27,122.50	0	\$0.00
8	2-Way, 2 Inch Schedule 40 PVC Conduit, DEB	200 LF	\$7.00	140	\$980.00	140	\$980.00	0	\$0.00
9	2-Way, 3 Inch Schedule 40 PVC Conduit, DEB	1 700 LF	\$8.00	140	\$1,120.00	140	\$1,120.00	0	\$0.00
10	1 or 2 Way, 2 Inch HDPE Conduit, Directionally Bored	1 0 LF	\$16.00	0	\$0.00	0	\$0.00	0	\$0.00
11	L-861 MIRL, Base Mounted Runway Edge Light	47 EA	\$740.00	45	\$33,300.00	45	\$33,300.00	0	\$0.00
12	L-861T MITL, Base Mounted Taxiway Edge Light	22 EA	\$730.00	22	\$16,060.00	22	\$16,060.00	0	\$0.00
13	L-861E MIRL, Base Mounted Runway Threshold/End Light	16 SY	\$740.00	16	\$11,840.00	16	\$11,840.00	0	\$0.00
14	L-867D, Electrical Handhole	6 EA	\$600.00	6	\$3,600.00	6	\$3,600.00	0	\$0.00
15	Spare Parts	1 LS	\$1,000.00	1	\$1,000.00	1	\$1,000.00	0	\$0.00
16	Demolition and Removal of Existing Lighting Systems	1 LS	\$3,000.00	1	\$3,000.00	1	\$3,000.00	0	\$0.00
17	Connection of Voltage Trigger to Existing REILS	1 LS	\$800.00	1	\$800.00	1	\$800.00	0	\$0.00
18	Pavement Removal and Replacement	1 LS	\$3,500.00	1	\$3,500.00	1	\$3,500.00	0	\$0.00
CO 1-1	Bore 2" and 3" Conduit Under Ramp and Taxiway	175 LF	\$23.00	175	\$4,025.00	175	\$4,025.00	0	\$0.00
CO 1-2	Concrete Encasement over Gas Pipeline	60 LF	\$8.00	60	\$480.00	60	\$480.00	0	\$0.00
* Quantities adjusted per Change Order #1									
CGA Consultants Marshalltown, IA 50158		Contract Amount		Total Earned to Date		Previously Earned		Completed This Period	
TOTALS		\$159,383.50		\$149,304.50		\$149,304.50		\$0.00	

**IOWA ECONOMIC DEVELOPMENT AUTHORITY
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM
CONTRACT**

RECIPIENT: City of Creston
CONTRACT NUMBER: 14-WS-038
EFFECTIVE DATE: June 18, 2014
AWARD AMOUNT: \$250,000
END DATE: June 30, 2017

THIS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ("CDBG") CONTRACT is made by and between the IOWA ECONOMIC DEVELOPMENT AUTHORITY, 200 East Grand Avenue, Des Moines, Iowa 50309 ("Authority") and "Recipient", effective as of the date stated above.

WHEREAS, the Authority is designated to receive, administer, and disburse CDBG funds; and

WHEREAS, the Authority desires to disburse grant funds to the Recipient for eligible purposes primarily benefiting low and moderate income persons, eliminating slums and blight, or meeting community development needs having particular urgency; and

WHEREAS, the Recipient submitted an Application for funding to the Authority and the Authority has approved the Application; and

WHEREAS, in approving the Application the Authority has relied upon the Recipient's representations of proposed Project activities, management and financial condition of the Recipient, investment of other Project funds, and other material information contained therein; and

WHEREAS, the Recipient has certified to the Authority that the primary purpose for obtaining CDBG funds is to primarily benefit low and moderate income persons, eliminate slums and blight, or meet community development needs having a particular urgency;

NOW, THEREFORE, the Recipient accepts this grant upon the terms and conditions set forth in this Contract. In consideration of the mutual promises contained in this Contract and other good and valuable consideration, it is agreed as follows:

ARTICLE 1
DEFINITIONS

As used in this Contract, the following terms shall apply:

1.1 **ACT.** Act means Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 et seq.).

1.2 **ACTIVITY.** "Activity" means the description of eligible work, services, and other accomplishments, as authorized by Section 105 of the "Act" and as further defined in 24 CFR 570.482, as revised April 1, 1997. Activities are found in the line items in the Recipient's "Budget Activity" in IowaGrants.gov account and have specific performance targets.

1.3 **ADMINISTRATIVE CODE.** "Administrative Code" means 261 Iowa Administrative Code, Chapter 23 and 25. Iowa Administrative Code is the composite of all rules adopted and administered by the executive branch to implement state law and policy.

1.4 **ALLOWABLE COSTS.** "Allowable Costs" are those costs which are identified in the "Budget Activity", Application, and consistent with Federal regulations and guidelines applicable to the CDBG program.

1.5 **APPLICATION.** "Application" is the Application the Recipient submitted in IowaGrants.gov.

1.6 **BUDGET.** "Budget" means the "Budget Activity" as found in the Recipient's IowaGrants.gov account.

1.7 **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG).** "Community Development Block Grant Program" means the grant program authorized by Title I of the Housing and Community Development Act of 1974, as amended.

1.8 **CONTRACT.** "Contract" means this Contract and all of the notes, leases, assignments, mortgages, and similar documents referred to in the Contract and all other instruments or documents executed by the Recipient or otherwise required

in connection with the Contract, including the CDBG grant Application together with any related submittal documents.

1.9 **END DATE.** "End Date" means the date the Contract ceases to be in force and effect. The Contract expires upon the occurrence of one of the following: a) the Recipient fulfills the conditions and Project activities agreed to herein as of the end date stated above; or b) the Contract is terminated by the Authority due to any default under Article 9.1; or c) the Contract is terminated in accordance with provisions set forth in Sections 8 and 9 of the General Provisions, Attachment A of this Contract.

1.10 **GRANT.** "Grant" means the award of CDBG funds to the Recipient for Project activities.

1.11 **HUD.** "HUD" means the U.S. Department of Housing and Urban Development.

1.12 **IOWAGRANTS.GOV.** "Iowa Grants.gov" means Iowa's Funding Opportunity Search and Grant Management System. This system allows you to electronically apply for and manage grants received by the state of Iowa. Persons accessing the system for this purpose are required to register online at www.iowaGrants.gov.

1.13 **LOW- AND MODERATE-INCOME FAMILIES.** "Low- and Moderate-Income Families" means those families earning no more than 80 percent of the higher of the median family income of the county or the statewide nonmetropolitan area as determined by the latest U.S. Department of Housing and Urban Development, Section 8 income guidelines. Unrelated individuals living together shall be considered as one-person families for this purpose.

1.14 **LOW- AND MODERATE-INCOME PERSONS.** "Low and Moderate Income Person" means a member of a low- and moderate-income family as defined above.

1.15 **PROJECT.** "Project" means the totality of "Activity", to be performed by the Recipient as described in the application the Recipient submitted in iowaGrants.gov and approved by the Authority.

ARTICLE 2 **FUNDING**

2.1 **FUNDING SOURCE.** The source of funding for the Grant is a Federal appropriation for the Community Development Block Grant (CDBG) Program.

2.2 **RECEIPT OF FUNDS.** All payments under this Contract are subject to receipt by the Authority of sufficient Federal funds for the CDBG program. Any termination, reduction or delay of CDBG funds to the Authority shall, at the option of the Authority, result in the termination, reduction or delay of CDBG funds to the Recipient.

2.3 **PRIOR COSTS.** If any Recipient has received written approval from the Authority to incur certain costs prior to the Effective Date of this Contract, then said written approval and the terms and conditions therein are incorporated herein and made a part of this Contract by this reference as if fully set forth. Any such costs incurred prior to the Effective Date of this Contract are subject to the Special Conditions and General Conditions of this Contract.

2.4 **DISBURSEMENT OF LESS THAN THE TOTAL AWARD AMOUNT.** If the total award amount has not been requested by the Recipient within sixty (60) days after the End Date, then the Authority shall be under no obligation for further disbursement. The Authority may allow access to funds after this time for allowable costs associated with the conduct of the audits required in Article 2.0 of the General Provisions, Attachment A to this Contract.

ARTICLE 3 **TERMS OF GRANT**

3.1 **TIME OF PERFORMANCE.** The services of the Recipient are to commence as of the Effective Date and shall be undertaken in such a manner as to assure their expeditious completion. All of the services required hereunder shall be completed on or before the End Date.

3.2 **MAXIMUM PAYMENTS.** It is expressly understood and agreed that the maximum amounts to be paid to the Recipient by the Authority for any item of work or service shall conform to the "Budget Activity" as found in the Recipient's iowaGrants.gov account. It is further understood and agreed that the total of all payments to the Recipient by the Authority for all work and services required under this Contract shall not exceed the Award Amount unless modified by written amendment of this Contract as provided for in Section 1.0 of the General Provisions, Attachment A.

3.3 **LOCAL EFFORT REQUIREMENTS.** The Recipient agrees to provide local contribution to the Project as defined in the "Local" column of the "Budget Activity". Expenditures above this level, necessary to complete the "Budget Activity", shall be paid with local funds. Reports of the local funds expended shall be included in the Request for Payment/Activity Status Report specified in Article 8.1(b), "Reports." The Authority does not agree to allow a delay in the contribution of local cash. When a delay is allowed, the delay shall be until the specified date or until two-thirds of the grant amount has been drawn down, whichever come first, at which time no further Federal funds may be drawn down until sufficient local cash has been expended to attain the ratio of Federal to local funds specified in the Budget.

3.4 **ADMINISTRATION.** This Contract shall be administered in accordance with "Administrative Code" and all applicable State and Federal laws and regulations, including the Iowa Community Development Block Grant Management Guide, which has been distributed by the Authority to the Recipient.

3.5 **SATISFACTORY PERFORMANCE.** For all projects requiring approval of final plans and specifications by the Iowa Department of Natural Resources, said approval shall be completed within eighteen (18) months of the Effective Date of this contract.

ARTICLE 4 **PERFORMANCE TARGET ACHIEVEMENT**

4.1 **PERFORMANCE TARGETS.** By the End Date, the Recipient shall have accomplished the activities and performance targets as described in the "Budget Activity", and as further elaborated in the Application, as approved by the Authority.

4.2 **DETERMINATION OF CONTRACT PERFORMANCE.** The Authority has the final authority to assess whether the Recipient has met their performance targets by the End Date. The Authority shall determine completion according to the performance targets set forth in the "Budget Activity". The Authority reserves the right to monitor and measure at any time during and after the Contract term the achievement of the performance targets.

ARTICLE 5 **USE OF FUNDS**

5.1 **GENERAL.** The Recipient shall perform in a satisfactory and proper manner, as determined by the Authority, the work activities and services as written and described in the approved grant proposal (Application) as summarized in the Recipient's approved Community Development Block Grant "Budget Activity".

5.2 **PROGRAM INCOME.** Proceeds generated from the use of CDBG funds are considered program income when the total amount received by the Recipient in a fiscal year exceeds \$35,000, at which time the entire \$35,000 and excess are considered program income. Prior to the End Date, all program income shall be expended prior to requesting additional CDBG funds. Program income received by the Recipient after the End Date shall be returned to the Authority unless the Recipient has submitted, and the Authority has approved, a re-use plan. If applicable, any CDBG proceeds derived from an approved Revolving Loan Fund are considered program income, regardless of the amount received in any year.

5.3 **BUDGET REVISIONS.** Budget revisions that would result in increases of "Budget Activity" line item amounts in excess of ten percent (10%) or ten thousand dollars (\$10,000), whichever is less, shall be subject to prior approval of the Authority through the contract amendment process. "Budget Activity" line item decreases which would lower the Recipient's performance level required under this Contract must also be approved by the Authority through the amendment process. Budget revisions shall be compatible with the terms of this Contract and of such a nature as to qualify as an allowable cost. These provisions shall not be construed as allowing administrative costs to exceed the limits provided in Article 5.4. Budget revisions requested during the final ninety (90) days of the Contract period will be approved by the Authority only if it determines that the revisions are necessary to complete the Project.

5.4 **GENERAL ADMINISTRATIVE COST LIMITATIONS.** Federal funds used for reasonable administrative costs, as allowed under Federal and State regulations, shall be limited to ten percent (10%) of the total CDBG funds as specified in the "Budget Activity". Total administrative costs (Federal plus local) on the Project shall not exceed ten percent (10%) of total Project "Budget Activity". Program income received by the Recipient during the Contract period is subject to the ten percent (10%) administrative cost limitation.

5.5 **COST VARIATION.**

(a) In the event that the total Project cost is less than the amount specified in the Agreement and the "Budget Activity", the CDBG participation shall be reduced at the same ratio to the total Project cost reduction as the original ratio of the CDBG funds to the total Project costs. Any disbursed excess above the reduced CDBG participation amount shall be returned immediately to the Authority.

(b) In the event that the total Project cost is greater than the amount specified in the "Budget Activity", the Authority shall, upon request, consider increasing the CDBG participation in the same ratio to the total increase in Project cost as the original ratio of CDBG funds to the total Project costs. The consideration of an increase of CDBG funds for a Project shall be subject to availability of funds, determination of reasonable and allowable costs, and all other applicable program rules.

(c) The Recipient may request the Authority to increase the CDBG participation to an amount that is higher than the proportional ratio. The Authority may permit such a higher increase if, in the Authority's judgment, the Recipient has demonstrated financial hardship.

ARTICLE 6 **CONDITIONS TO DISBURSEMENT OF FUNDS**

Unless and until the following conditions have been satisfied, the Authority shall be under no obligation to disburse to the Recipient any amounts under this Contract:

6.1 **CONTRACT EXECUTED.** The Contract shall have been properly executed and, where required, acknowledged.

6.2 **COMPLIANCE WITH ENVIRONMENTAL AND HISTORIC PRESERVATION REQUIREMENTS.** Funds shall not be released under this Contract until the Recipient has satisfied the environmental review and release of funds requirements set forth in 24 CFR Part 58, "Environmental Review Procedures for the Community Development Block Grant Program", and summarized in the Iowa CDBG Management Guide. In addition, construction contracts for non-exempt activities shall not be executed and construction shall not begin prior to providing the Authority with documentation of the Recipient's compliance with Section 106 of the National Historic Preservation Act and 36 CFR Part 800, "Protection of Historic Properties." The Recipient shall comply with any programmatic Memorandum of Understanding between the Iowa Economic Development Authority and the Iowa State Historic Preservation Office, applicable to any activities included in this contract.

6.3 **PERMITS AND LICENSES.** The Authority reserves the right to withhold funds until the Authority has reviewed and approved all material, such as permits or licenses from other state or Federal agencies, which may be required prior to Project commencement.

6.4 **EXCESSIVE FORCE POLICY.** The Authority, prior to release of funds under this Contract, shall review and approve the Recipient's policy on protecting individuals engaged in nonviolent civil rights demonstrations from the use of excessive force by law enforcement agencies within its jurisdiction, and enforcing state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction, consistent with the provisions of Section 906 of the National Affordable Housing Act of 1990 and Subsection 104(l) of the Housing and Community Development Act of 1974, as amended.

6.5 **RESIDENTIAL ANTI/DISPLACEMENT AND RELOCATION ASSISTANCE PLAN APPROVAL.** The Authority, prior to release of funds under this Contract, shall review and approve the Recipient's Residential Anti/Displacement and Relocation Assistance Plan, consistent with the requirements of Section 104(d) of the Housing and Community Development Act of 1974, as amended.

6.6 **CONDITIONS TO DISBURSEMENT FOR A SPECIFIC ACTIVITY.** For each activity number listed below, the Recipient shall comply with the corresponding applicable conditions prior to release of funds for that activity. If no applicable conditions are identified below, none of the conditions in Article 6.6 shall apply to the activities funded by this Contract.

ACTIVITY NUMBER(S)	APPLICABLE CONDITIONS
55 - Sanitary Sewer Improvements	6.6(a) - DNR Approval - Construction Permit

(a) **DEPARTMENT OF NATURAL RESOURCES APPROVAL.** Construction shall not begin prior to the written approval of the Iowa Department of Natural Resources.

(b) REVIEW OF HANDICAPPED ACCESSIBILITY. Prior to release of funds for construction, the Authority shall receive and review a signed statement from the Project architect that proposed construction will meet all handicapped accessibility and ADA requirements based on approved design plans.

(c) DEPARTMENT OF HEALTH APPROVAL. Construction shall not begin prior to receipt of written approval from the Iowa Department of Health.

(d) FRANCHISE ORDINANCE/28E AGREEMENT. Prior to the release of funds for construction, the Recipient shall submit, as appropriate, either an ordinance authorizing the franchise or an executed 28E Agreement for the activity for the Authority's review.

(e) BULK PURCHASE AGREEMENT. Prior to release of funds for construction, the Recipient shall submit an executed "Bulk Purchase Agreement" for the Authority's review.

(f) RURAL WATER CONNECTION FEE PROJECTS. Prior to release of funds for payment of a connection fee, the Authority shall receive and review a copy of the water purchase agreement which outlines the basis for determining the connection fee; a signed letter with the engineer's seal from the project engineer which certifies that construction is complete and water service is available to the Recipient; and a formal invoice from the Subrecipient which requests payment of the connection fee and provides a breakdown of the Federal and local dollar amounts. The Request for Payment/ Activity Status Report for the connection fee will not be processed until the Authority has received the required documentation listed in this Article.

(g) STATE BUILDING CODE BUREAU APPROVAL. Bidding for construction shall not be conducted prior to the written approval of the final plans by the State Building Code Bureau of the Iowa Department of Public Safety.

(h) FAÇADE EASEMENTS. Prior to release of funds for construction, the Recipient shall submit, as appropriate, signed copies of all façade easements when required for downtown revitalization projects.

(i) STORMWATER DESIGN AND CONSTRUCTION DOCUMENTS. Prior to bidding, the Recipient shall submit final design and construction documents of stormwater projects for the Authority to review for consistency with the original Application or "Budget Activity" subsequently approved by the Authority.

(j) IOWA GREEN STREETS CRITERIA CONSTRUCTION DOCUMENTS. Prior to bidding, the Recipient shall submit final design and construction documents and Iowa Green Streets Criteria Appendix C for the Authority to review for consistency with the original Application subsequently approved by the Authority when required for applicable Community Facilities and Downtown Revitalization projects as identified in their application.

6.7 CONDITIONS TO DISBURSEMENT NECESSITATING OUTSIDE AGENCY ACTION. For each activity number listed below, the Recipient shall comply with the corresponding applicable conditions prior to release of funds for that activity. If no applicable conditions are identified below, none of the conditions in Article 6.7 shall apply to the activities funded by this.

ACTIVITY NUMBER(S)	APPLICABLE CONDITIONS	OUTSIDE AGENCY
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(a) FUNDING. Funding shall be contingent upon receipt of adequate funds from the identified agency to complete the Project described. The Recipient must submit a copy of the notification of said funding commitment to the Authority before funds can be released to the Recipient. If there is a reduction in the amount of the funds available from this source, the Recipient shall identify an alternative source of funds, and the change in funding sources shall be reflected in an amendment to this Contract. If the funds from the identified agency are rejected, this award is no longer valid. If the other funding is not obligated to the Recipient within 6 months following the announcement of the CDBG award, the CDBG funds shall be considered available to the Authority for allocation to other Projects, and the provisions of the CDBG Administrative Rules concerning contingent awards shall apply.

(b) SUBRECIPIENT AGREEMENT. The Authority, prior to the release of funds, shall review and approve the subrecipient agreement between the Recipient and the identified agency.

(c) CONTINGENT FUNDING. The Authority has awarded these funds contingent upon receipt of other funding from the identified agency.

(d) LONG TERM LEASE AGREEMENT. Prior to release of funds, the Authority shall review and approve a Long Term Lease Agreement or any other binding agreement deemed appropriate by the Authority between two identified agencies. The

agreement shall guarantee that the constructed facility as described in this Contract will be allowed to physically remain and continue to be used for the specified purpose. In the event that the use of the facility changes, the Recipient may be required to repay all or part of the grant award as described in Article 9.4 of this Contract.

ARTICLE 7 **REPRESENTATIONS AND WARRANTIES OF RECIPIENT**

To induce the Authority to make the Grant referred to in this Contract, the Recipient represents, covenants and warrants that:

7.1 **AUTHORITY.** The Recipient is duly authorized and empowered to execute and deliver the Contract. All required actions on the Recipient's part, such as appropriate resolution of its governing board for the execution and delivery of the Contract, have been effectively taken.

7.2 **FINANCIAL INFORMATION.** All financial statements and related materials concerning the Project provided to the Authority are true and correct in all material respects and completely and accurately represent the subject matter thereof as of the Effective Date of the statements and related materials, and no material adverse change has occurred since that date.

7.3 **APPLICATION.** The contents of the Application the Recipient submitted to the Authority for funding is a complete and accurate representation of the Project as of the date of submission and there has been no material adverse change in the organization, operation, or key personnel of the Recipient since the date the Recipient submitted its Application to the Authority.

7.4 **CLAIMS AND PROCEEDINGS.** There are no actions, lawsuits or proceedings pending or, to the knowledge of the Recipient, threatened against the Recipient affecting in any manner whatsoever their rights to execute the Contract or the ability of the Recipient to make the payments required under the Contract, or to otherwise comply with the obligations of the Contract. There are no actions, lawsuits or proceedings at law or in equity, or before any governmental or administrative authority pending or, to the knowledge of the Recipient, threatened against or affecting the Recipient or any property involved in the Project.

7.5 **PRIOR AGREEMENTS.** The Recipient has not entered into any verbal or written contracts, agreements or arrangements of any kind which are inconsistent with the Contract.

7.6 **EFFECTIVE DATE.** The covenants, warranties and representations of this Article are made as of the Effective Date of this Contract and shall be deemed to be renewed and restated by the Recipient at the time of each advance or request for disbursement of funds.

ARTICLE 8 **COVENANTS OF THE RECIPIENT**

8.1 **AFFIRMATIVE COVENANTS.** Until the Project has been closed out, audited, and approved by the Authority, the Recipient covenants with the Authority that:

(a) **PROJECT WORK AND SERVICES.** The Recipient shall perform the work and services detailed in the "Budget Activity" by the End Date.

(b) **REPORTS.** The Recipient shall prepare, review and sign the requests and reports as specified below in the form and content specified by the Authority. The Recipient shall review all Requests for Payment and verify that claimed expenditures are allowable costs. The Recipient shall maintain documentation adequate to support the claimed costs. After the Recipient has submitted its 1st Request for Payment the Recipient, shall continue to submit Request for Payment at least semiannually for each "Budget Activity".

The Authority reserves the right to require more frequent submission of the Activity Status Report than as shown below if, in the opinion of the Authority, more frequent submissions would help improve the Recipient's CDBG program.

REPORT

DUE DATE

1. Request for Payment / Activity Status Report

As funds are needed

2. Section 3 Report (if applicable)	Submitted with 1st construction draw
3. Updates to the Applicant/Recipient Disclosure Report	As needed due to changes
4. Iowa Green Streets Criteria Appendices D and E or F (if applicable)	Upon construction completion
5. Final request for Payment / Status Report	Within 30 days of End Date
6. Form 3-D, Final Accomplishments and Equal Opportunity Data (if applicable)	Within 30 days of End Date
7. Single Audit Form (required)	Within 30 days of receipt of Notice to Close letter
8. Audit Report (if applicable)	Within 30 days of audit completion

(c) **RECORDS.** The Recipient shall maintain books, records, documents and other evidence pertaining to all costs and expenses incurred and revenues received under this Contract in sufficient detail to reflect all costs, direct and indirect, of labor, materials, equipment, supplies, services and other costs and expenses of whatever nature, for which payment is claimed under this Contract. The Recipient shall maintain books, records and documents in sufficient detail to demonstrate compliance with the Contract and shall maintain these materials for a period of five (5) years beyond the date upon which the final audit of the Project is accepted by the Authority. Records for non-expendable property acquired under this Contract shall be retained for a five (5) year period after the final disposition of property. Records shall be retained beyond the prescribed period if any litigation or audit is begun or if a claim is instituted involving the grant or agreement covered by the records. In these instances, the records shall be retained until the litigation, audit or claim has been finally resolved.

(d) **ACCESS TO RECORDS/INSPECTIONS.** The Recipient shall, without prior notice and at any time, permit HUD or its representatives, the General Accounting Office or its representatives, and the Authority, its representatives or the State Auditor, to examine, audit and/or copy (i) any plans and work details pertaining to the Project, (ii) any or all of the Recipient's books, records and accounts, and (iii) all other documentation or materials related to this Contract. The Recipient shall provide proper facilities for making such examination and/or inspection.

(e) **USE OF GRANT FUNDS.** The Recipient shall expend funds received under the Contract only for the purposes and activities described in its CDBG Application, this Contract and as approved by the Authority.

(f) **DOCUMENTATION.** The Recipient shall deliver to the Authority, upon request, (i) copies of all contracts or agreements relating to the Project, (ii) invoices, receipts, statements or vouchers relating to the Project, (iii) a list of all unpaid bills for labor and materials in connection with the Project, and (iv) budgets and revisions showing estimated Project costs and funds required at any given time to complete and pay for the Project.

(g) **NOTICE OF PROCEEDINGS.** The Recipient shall promptly notify the Authority of the initiation of any claims, lawsuits or proceedings brought against the Recipient.

(h) **INDEMNIFICATION.** The Recipient shall indemnify and hold harmless the Authority, its officers and employees from and against any and all losses in connection with the Project.

(i) **NOTICE TO AUTHORITY.** In the event the Recipient becomes aware of any material alteration in the Project, initiation of any investigation or proceeding involving the Project, or any other similar occurrence, the Recipient shall promptly notify the Authority.

(j) **CERTIFICATIONS.** The Recipient certifies and ensures that the Project will be conducted and administered in compliance with all applicable Federal and State laws, regulations and orders. Certain statutes are expressly made applicable to activities assisted under the Act by the Act itself, while other laws not referred to in the Act may be applicable to such activities by their own terms. The Recipient certifies and assures compliance with the applicable orders, laws and implementing regulations, including but not limited to, the following:

(i) Financial Management guidelines issued by the U.S. Office of Management and Budget, OMB Circular A-133 ("Single Audit Act Amendment of 1996"), OMB Circular A-122 ("Cost Principles for Nonprofit Organizations"), OMB Circular A-87 ("Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally recognized Indian Tribal Governments").

- (ii) Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 et seq.), and regulations which implement these laws.
- (iii) Title VI of the Civil Rights Act of 1964 as amended (Public Law 88-352; 42 U.S.C. 2000d et seq.); Title VIII of the Civil Rights Act of 1968 as amended (Public Law 90-284; 42 U.S.C. 3601 et seq.); the Iowa Civil Rights Act of 1965; Chapter 19B.7, Code of Iowa, and Iowa Executive Order #34, dated July 22, 1988; Iowa Code Chapter 216, Presidential Executive Order 11063, as amended by Executive Order 12259; Presidential Executive Order 11246, as amended; Section 504 of the Vocational Rehabilitation Act of 1973 as amended (29 U.S.C. 794); the Age Discrimination Act of 1975 as amended (42 U.S.C. 6101 et seq.); the Americans with Disabilities Act, as applicable, (P. L. 101-336, 42 U.S.C. 12101-12213); and related Civil Rights and Equal Opportunity statutes; and regulations which implement these laws.
- (iv) Fair Housing Act, Public Law 90-284. The Fair Housing Act is part of Title VIII of the Civil Rights Act of 1968 as amended (42 U.S.C. 3601 et seq.); Section 109 of the Title I of the Housing and Community Development Act of 1974, as amended; Section 3 of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u); and regulations which implement these laws.
- (v) Department of Housing and Urban Development regulations governing the CDBG program, 24 Code of Federal Regulations, Part 570.
- (vi) Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (P.L. 101 235), and implementing regulations.
- (vii) Requirements for the Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance; Final Rule (24 CFR Part 35, et al.); Lead Based Paint Poisoning Prevention Act (42 U.S.C. 4821 - 4846), as amended, and implementing regulations.
- (viii) Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5), where applicable under Section 110 of the Housing and Community Development Act of 1974, as amended; Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.); the Copeland Anti-Kickback Act (18 U.S.C. 874); and regulations which implement these laws.
- (ix) National Environmental Policy Act of 1969 and implementing regulations.
- (x) Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA)(42 U.S.C. 4601 - 4655) and implementing regulations; Section 104(d) of the Housing and Community Development Act of 1974, as amended, governing the residential antidisplacement and relocation assistance plan; and Section 105(a)(11) of the Housing and Community Development Act of 1974, as amended, governing optional relocation assistance.
- (xi) Administrative rules adopted by the Iowa Economic Development Authority, 261 Iowa Administrative Code.
- (xii) Financial and Program Management guidelines issued by the Iowa Economic Development Authority; the Iowa CDBG Management Guide; and the Authority Audit Guide.
- (xiii) Government-wide Restriction on Lobbying Certification [Section 319 of Public Law 101-121] and implementing regulations.
- (xiv) Fair Labor Standards Act and implementing regulations.
- (xv) Hatch Act (regarding political partisan activity and Federally funded activities) and implementing regulations.
- (xvi) Citizen participation, hearing and access to information requirements found under sections 104(a)(2) and 104(a)(3) of Title I of the Housing and Community Development Act of 1974, as amended.
- (xvii) Subsection 104(l) of Title I of the Housing and Community Development Act of 1974, as amended, regarding the prohibition of the use of excessive force in nonviolent civil rights demonstrations and the enforcement of state and local laws on barring entrance to or exit from facilities subject to such demonstrations.
- (xviii) Drug-Free Workplace Act.

(k) **MAINTENANCE OF ACTIVITY PROPERTY AND INSURANCE.** The following provision shall apply to the project as appropriate. The Recipient and any subrecipient shall maintain the Project property in good repair and condition, ordinary wear and tear excepted, and shall not suffer or commit waste or damage upon the Project property. The Recipient or subrecipient shall pay for and maintain insurance as is customary in its industry. This insurance shall be in an amount not less than the full insurable value of the Project property. The subrecipient shall name the Recipient and Authority as mortgagees and/or an additional loss payees, as appropriate. The Recipient shall name the Authority as a mortgagee and/or an additional loss payee, as appropriate. The Recipient or subrecipient shall maintain copies of the policies as appropriate.

8.2 **NEGATIVE COVENANTS.** During the Contract term the Recipient covenants with the Authority that it shall not, without the prior written disclosure to and prior written consent of the Authority, directly or indirectly:

- (a) **ASSIGNMENT.** Assign its rights and responsibilities under this Contract.
- (b) **ADMINISTRATION.** Discontinue administration activities under the Contract.

ARTICLE 9 **DEFAULT AND REMEDIES**

9.1 **EVENTS OF DEFAULT.** The following shall constitute Events of Default under this Contract:

- (a) **MATERIAL MISREPRESENTATION.** If at any time any representation, warranty or statement made or furnished to the Authority by, or on behalf of, the Recipient in connection with this Contract or to induce the Authority to make a grant to the Recipient shall be determined by the Authority to be incorrect, false, misleading or erroneous in any material respect when made or furnished and shall not have been remedied to the Authority's satisfaction within thirty (30) days after written notice by the Authority is given to the Recipient.
- (b) **NONCOMPLIANCE.** If there is a failure by the Recipient to comply with any of the covenants, terms or conditions contained in this Contract.
- (c) **END DATE.** If the Project, in the sole judgment of the Authority, is not completed on or before the End Date.
- (d) **MISSPENDING.** If the Recipient expends Grant proceeds for purposes not described in the Application, this Contract, or as authorized by the Authority.
- (e) **INSURANCE.** If loss, theft, damage, or destruction of any substantial portion of the property of the Recipient occurs for which there is either no insurance coverage or for which, in the opinion of the Authority, there is insufficient insurance coverage. This provision applies to the project as appropriate.

9.2 **NOTICE OF DEFAULT.** In the event of default, the Authority shall issue a written notice of default providing therein a fifteen (15) day period in which the Recipient shall have an opportunity to cure, provided that cure is possible and feasible.

9.3 **REMEDIES UPON DEFAULT.** If, after opportunity to cure, the default remains, the Authority shall have the right in addition to any rights and remedies specifically to it to do one or more of the following:

- (a) exercise any remedy provided by law,
- (b) require immediate repayment of up to the full amount of funds disbursed to the Recipient under this Contract plus interest.

9.4 **FAILURE TO MEET PERFORMANCE TARGETS.** If the Recipient is determined by the Authority to be in default of this Contract due to meeting less than one hundred percent (100%) of its Performance Targets, the Authority may require full Grant repayment or, at its discretion, the Authority may require partial repayment of Grant proceeds which allows partial credit for the performance targets which have been met, or the Authority may require other remedies that the Authority determines to be appropriate. For Housing rehabilitation projects only, performance targets shall include income targeting and affordability requirements as required in 261 Administrative Code 25.4(1).

ARTICLE 10
INCORPORATED DOCUMENTS

10.1 **DOCUMENTS INCORPORATED BY REFERENCE.** The Recipient shall comply with the terms and conditions of the following documents which are hereby incorporated by reference:

- (a) Budget Activity, as found in Recipient's IowaGrants.gov account.
- (b) Application, "CDBG Application", as found in Recipient's IowaGrants.gov account.
- (c) Attachment A, "CDBG Program General Provisions", dated May 31, 2013.

10.2 **ORDER OF PRIORITY.** In the event of a conflict between documents of this Contract, the following order of priority shall govern:

- (a) Articles 1 through 11 herein.
- (b) Attachment A, "CDBG Program General Provisions", dated May 31, 2013.
- (c) Budget Activity, as found in Recipient's IowaGrants.gov account.
- (d) Application, "CDBG Application", as found in Recipient's IowaGrants.gov account.

ARTICLE 11
MISCELLANEOUS

11.1 **LIMIT ON GRANT PROCEEDS ON HAND.** The Recipient shall request Project funds only as needed and shall not have more than five hundred dollars (\$500.00) of Grant proceeds, including earned interest, on hand for a period of longer than ten (10) working days, after which time any surplus amount shall be returned to the Authority.

11.2 **BINDING EFFECT.** This Contract shall be binding upon and shall inure to the benefit of the Authority and Recipient and their respective successors, legal representatives and assigns. The obligations, covenants, warranties, acknowledgments, waivers, agreements, terms, provisions and conditions of this Contract shall be jointly and severally enforceable against the parties to this Contract.

11.3 **SURVIVAL OF CONTRACT.** If any portion of this Contract is held to be invalid or unenforceable, the remainder shall be valid and enforceable. The provisions of this Contract shall survive the execution of all instruments herein mentioned and shall continue in full force until the Project is completed as determined by the Authority.

11.4 **GOVERNING LAW.** This Contract shall be interpreted in accordance with the laws of the State of Iowa, and any action relating to the Contract shall only be commenced in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa.

11.5 **NOTICES.** Whenever this Contract requires or permits any funding request, notice, report, or written request by one party to another, it shall be delivered through IowaGrants.gov. Alternately the Authority may rely on the United States Mail as the Authority deems appropriate. Any such notice given hereunder shall be deemed delivered upon the earlier of actual receipt or two (2) business days after posting. The Authority may rely on the address of the Recipient set forth heretofore, as modified from time to time, as being the address of the Recipient.

11.6 **WAIVERS.** No waiver by the Authority of any default hereunder shall operate as a waiver of any other default or of the same default on any future occasion. No delay on the part of the Authority in exercising any right or remedy hereunder shall operate as a waiver thereof. No single or partial exercise of any right or remedy by the Authority shall preclude future exercise thereof or the exercise of any other right or remedy.

11.7 **LIMITATION.** It is agreed by the Recipient that the Authority shall not, under any circumstances, be obligated financially under this Contract except to disburse funds according to the terms of the Contract.

11.8 **HEADINGS.** The headings in this Contract are intended solely for convenience of reference and shall be given no effect in the construction and interpretation of this Contract.

11.9 **INTEGRATION.** This Contract contains the entire understanding between the Recipient and the Authority and any representations that may have been made before or after the signing of this Contract, which are not contained herein, are nonbinding, void and of no effect. None of the parties have relied on any such prior representation in entering into this Contract.

11.10 **COUNTERPARTS.** This Contract may be executed in any number of counterparts, each of which shall be deemed

to be an original, but all of which together shall constitute one and the same instrument.

11.11 **IOWAGRANTS.GOV.** The Authority reserves the right to require the Recipient to utilize the IowaGrants.gov system to conduct business associated with this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract as of the Effective Date first stated.

RECIPIENT: City of Creston

BY:

Mayor
City of Creston
116 West Adams Street
P.O. Box 449
Creston, Iowa 50801

Typed or Printed Name and Title

IOWA ECONOMIC DEVELOPMENT AUTHORITY:

BY:

Timothy R. Waddell, Division Administrator

ATTACHMENT A
GENERAL PROVISIONS
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
May 31, 2013

1.0 AMENDMENT.

(a) WRITING REQUIRED. The Contract may only be amended through written prior approval of the Authority through IowaGrants.gov. Examples of situations where amendments are required include extensions for completion of Project activities, changes to the Project including, but not limited to, alteration of existing approved activities or inclusion of new activities.

(b) UNILATERAL MODIFICATION. Notwithstanding paragraph "a" above, the Authority may unilaterally modify the Contract at will in order to accommodate any change in the Act or any change in the interpretation of the Act or any applicable Federal, State or local laws, regulations, rules or policies. A copy of such unilateral modification will be given to the Recipient as an amendment to this Contract.

(c) AUTHORITY REVIEW. The Authority will consider whether an amendment request is so substantial as to necessitate reevaluating the Authority's original funding decision on the Project. An amendment will be denied if it substantially alters the circumstances under which the Project funding was originally approved or if it does not meet requirements set forth in 261 Iowa Administrative Code.

2.0 AUDIT REQUIREMENTS.

(a) SINGLE AUDIT. The Recipient shall ensure that an audit is performed in accordance with the Single Audit Act Amendment of 1996 and OMB Circular A-133, as applicable, the Authority's administrative rules for the CDBG program (261 Iowa Administrative Code), and the Iowa CDBG Management Guide.

(b) ADDITIONAL AUDIT. As a condition of the grant to the Recipient, the Authority reserves the right to require the Recipient to submit to a post Project completion audit and review in addition to the audit required above.

3.0 COMPLIANCE WITH LAWS AND REGULATIONS. The Recipient shall comply with all applicable State and Federal laws, rules, ordinances, regulations and orders.

4.0 UNALLOWABLE COSTS. If the Authority determines at any time, whether through monitoring, audit, closeout procedures or by other means or process, that the Recipient has expended funds which are unallowable, the Recipient will be notified of the questioned costs and given an opportunity to justify questioned costs prior to the Authority's final determination of the disallowance of costs. Appeals of any determinations will be handled in accordance with the provisions of Chapter 17A, Iowa Code. If it is the Authority's final determination that costs previously paid by the Authority are unallowable under the terms of the Contract, the expenditures will be disallowed and the Recipient shall repay to the Authority any and all disallowed costs.

5.0 PROGRAM INCOME. All program income, as defined in OMB Circular A 102, 24 CFR 570.489 and 261 Iowa Administrative Code, shall be added to the Project "Budget Activity" and used to further eligible Project objectives as defined in the Contract and the "Budget Activity" in the CDBG Application for funding. Program income not used to further Project objectives will be deducted from the total Project "Budget Activity" for the purpose of determining the amount of reimbursable costs under the Contract. In cases of dispute, final decisions regarding the definition or disposition of program income shall be made by the Authority.

6.0 INTEREST EARNED. To the extent that interest is earned on advances of CDBG funds, this interest shall be returned to the Authority, except that the Recipient may keep interest amounts of up to \$100 per year for administrative expenses.

7.0 SUSPENSION. When the Recipient has failed to comply with the Contract, award conditions or standards, the Authority may, on reasonable notice to the Recipient, suspend the Contract and withhold future payments, or prohibit the Recipient from incurring additional obligations of CDBG funds. Suspension may continue until the Recipient completes the corrective action as required by the Authority. The Authority may allow such necessary and proper costs which the Recipient could not reasonably avoid during the period of suspension provided the Authority concludes that such costs meet the provisions of HUD regulations issued pursuant to OMB Circular A 87.

8.0 TERMINATION.

(a) **FOR CAUSE.** The Authority may terminate the Contract in whole, or in part, whenever the Authority determines that the Recipient has failed to comply with the terms and conditions of the Contract.

(b) **FOR CONVENIENCE.** The Parties may terminate the Contract in whole, or in part, when all parties agree that the continuation of the Project would not produce beneficial results commensurate with the future disbursement of funds.

(c) **DUE TO REDUCTION OR TERMINATION OF CDBG FUNDING.** At the discretion of the Authority, the Contract may be terminated in whole, or in part, if there is a reduction or termination of CDBG Federal block grant funds to the State.

9.0 **PROCEDURES UPON TERMINATION.**

(a) **NOTICE.** The Authority shall provide written notice to the Recipient of the decision to terminate, the reason(s) for the termination, and the effective date of the termination. If there is a partial termination due to a reduction in funding, the notice will set forth the change in funding and the changes in the approved "Budget Activity". The Recipient shall not incur new obligations beyond the effective date and shall cancel as many outstanding obligations as possible. The Authority's share of noncancellable obligations which the Authority determines were properly incurred prior to notice of cancellation will be allowable costs.

(b) **RIGHTS IN PRODUCTS.** All finished and unfinished documents, data, reports or other material prepared by the Recipient under the Contract shall, at the Authority's option, become the property of the Authority.

(c) **RETURN OF FUNDS.** The Recipient shall return to the Authority all unencumbered funds within one week of receipt of the notice of termination. Any costs previously paid by the Authority which are subsequently determined to be unallowable through audit, monitoring, or closeout procedures shall be returned to the Authority within thirty (30) days of the disallowance.

10.0 **ENFORCEMENT EXPENSES.** The Recipient shall pay upon demand any and all reasonable fees and expenses of the Authority, including the fees and expenses of its attorneys, experts and agents, in connection with the exercise or enforcement of any of the rights of the Authority under this Contract.

11.0 **INDEMNIFICATION.** The Recipient shall indemnify and hold harmless the Authority, its officers and employees, from and against any and all losses, accruing or resulting from any and all claims subcontractors, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Recipient in the performance of this Contract.

12.0 **CONFLICT OF INTEREST.**

(a) **GENERAL.** Except for the use of CDBG funds to pay salaries and other related administrative or personnel costs, no persons identified in paragraph (b) below who exercise or have exercised any functions or responsibilities with respect to CDBG assisted activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities may obtain a personal or financial interest or benefit from a CDBG assisted activity or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(b) **PERSONS COVERED.** The conflict of interest provisions described above apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the Recipient, or of any designated public agencies, or subrecipients which are receiving CDBG funds.

(c) **CONFLICTS OF INTEREST.** Chapter 68B, Code of Iowa, the "Iowa Public Officials Act", shall be adhered to by the Recipient, its officials and employees.

13.0 **USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR SUBRECIPIENTS.** CDBG funds shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the service of, or fund any contractor or subrecipient during any period of debarment, suspension, or placement in ineligible status under the provisions of 24 CFR Part 24 or any applicable law or regulation of the Department of Labor.

14.0 **CIVIL RIGHTS.**

(a) **DISCRIMINATION IN EMPLOYMENT.** The Recipient shall not discriminate against any qualified employee or applicant for employment because of race, color, religion, sex, national origin, age, sexual orientation, gender identity, familial status, physical or mental disability. The Recipient may take affirmative action to ensure that applicants are

employed and that employees are treated without regard to their race, color, religion, sex, national origin, age, sexual orientation, familial status, gender identity, or physical or mental disability. Such action shall include, but may not be limited to, the following: employment, upgrading, promotion, demotion or transfers; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including an apprenticeship. The Recipient agrees to post notices setting forth the provisions of the nondiscrimination clause in conspicuous places so as to be available to employees.

(b) CONSIDERATION FOR EMPLOYMENT. The Recipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Recipient, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, sexual orientation, gender identity, physical or mental disability, or familial status.

(c) SOLICITATION AND ADVERTISEMENT. The Recipient shall list all suitable employment openings in the State Employment Service local offices.

(d) CIVIL RIGHTS COMPLIANCE IN EMPLOYMENT. The Recipient shall comply with all relevant provisions of the Iowa Civil Rights Act of 1965 as amended; Chapter 19B.7, Code of Iowa; Federal Executive Order 11246, as amended; Title VI of the U.S. Civil Rights Act of 1964 as amended (42 U.S.C. Section 2000d et seq.); the Fair Labor Standards Act (29 U.S.C. Section 201 et seq.); The Americans with Disabilities Act, as applicable, (P.L. 101 336, 42 U.S.C. 12101-12213); Section 504 of the Rehabilitation Act of 1973 as amended (29 U.S.C. Section 794); and the Age Discrimination Act of 1975 as amended (42 U.S.C. Section 6101 et seq.). The Recipient will furnish all information and reports requested by the State of Iowa or required by or pursuant to the rules and regulations thereof and will permit access to payroll and employment records by the State of Iowa to investigate compliance with these rules and regulations.

(e) CERTIFICATION REGARDING GOVERNMENT-WIDE RESTRICTION ON LOBBYING. The Recipient certifies, to the best of his or her knowledge and belief, that:

(i) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with awarding any Federal contract, making any Federal grant, making any Federal loan, entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(ii) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Federal Lobbying" in accordance with its instruction.

(iii) The Recipient shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

(iv) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

(f) PROGRAM NONDISCRIMINATION. The Recipient shall conform with requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and HUD regulations issued pursuant thereto contained in 24 CFR Part 1. No person in the United States shall, on the basis of race, color, national origin, sex or religion or religious affiliation, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available through this Contract. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et. seq.) or with respect to an otherwise qualified individual with a disability as provided in the Americans with Disabilities Act, as applicable, (P.L. 101 336, 42 U.S.C. 12101 12213) or Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) shall also apply to any such program or activity.

(g) FAIR HOUSING. The Recipient shall comply with Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), generally known as the Fair Housing Act, and with HUD regulations found at 24 CFR Part 107, issued in compliance with Federal Executive Order 11063, as amended by Federal Executive Order 12259. The recipient shall also comply with Section 109, Title I of the Housing and Community Development Act of 1974, as amended.

(h) **SECTION 3 COMPLIANCE.** The Recipient shall comply with provisions for training, employment, and contracting in accordance with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u).

(i) **NONCOMPLIANCE WITH THE CIVIL RIGHTS LAWS.** In the event of the Recipient's noncompliance with the nondiscrimination clauses of this Contract or with any of the aforesaid rules, regulations, or requests, this Contract may be canceled, terminated, or suspended either wholly or in part. In addition, the State of Iowa may take further action, imposing other sanctions and invoking additional remedies as provided by the Iowa Civil Rights Act of 1965 (Chapter 216, Code of Iowa) or as otherwise provided by law.

(j) **INCLUSION IN SUBCONTRACTS.** The Recipient will include the provisions of the preceding paragraphs of Section 14 in every subcontract unless exempt by the State of Iowa, and said provisions will be binding on each subcontractor. The Recipient will take such action with respect to any subcontract as the State of Iowa may direct as a means of enforcing such provisions, including sanctions for noncompliance. In the event the Recipient becomes involved in or is threatened by litigation with a subcontractor or vendor as a result of such direction by the State of Iowa, the Recipient may request the State of Iowa to enter into such litigation to protect the interests of the State of Iowa.

15.0 **POLITICAL ACTIVITY.** No portion of program funds shall be used for any partisan political activity or to further the election or defeat of any candidate for public office. Neither the program nor the funds provided therefore, nor the personnel employed in the administration of this Contract, shall be in any way or to any extent engaged in the conduct of political activities in contravention of The Hatch Act (5 U.S.C. 15).

16.0 **LIMIT ON RECOVERY OF CAPITAL COSTS.** The Recipient will not attempt to recover any capital costs of public improvements assisted in whole or part under this Contract by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (i) funds received under this Contract are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under Title I of the Housing and Community Development Act of 1974, as amended, or (ii) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the Recipient has certified to the Authority that it lacks sufficient funds received under Title I of the Housing and Community Development Act of 1974, as amended, to comply with the requirements of clause (i) above.

**IOWA DEPARTMENT OF TRANSPORTATION
AGREEMENT FOR
IMMEDIATE SAFETY ENHANCEMENT (ISE) PROGRAM**

PROJECT NUMBER: 9I150CSQ140
CONTRACT NUMBER: 16390

This is an agreement between the City of Creston (hereinafter referred to as SPONSOR) and the Iowa Department of Transportation (hereinafter referred to as the Iowa DOT) for the purpose of funding Immediate Safety Enhancements at the Creston Municipal Airport. Pursuant to the terms of this agreement, applicable statutes, administrative rules, and program guidelines, the Iowa DOT agrees to provide authorized funding to the SPONSOR for the following project:

Additional trimming of trees in approach for runway 34.

In consideration of the foregoing and the mutual promises contained in this agreement, the parties agree as follows:

1. The SPONSOR shall be the lead local agency for carrying out the provisions of this agreement, will follow all applicable statutes and administrative rules, and is responsible to complete the project as specified.
2. The Iowa DOT agrees to reimburse the Sponsor up to 70% of eligible project costs, not to exceed the maximum amount of \$560 incurred according to the terms of this agreement. Reimbursements will be made in whole dollar amounts only, rounded down.
3. The Iowa DOT shall determine what costs are eligible for reimbursement. Only costs incurred after authorization from the Iowa DOT are eligible. All other costs, including costs above the maximum amount in this agreement, are the responsibility of the Sponsor.
4. The SPONSOR shall complete and submit the Claim for Reimbursement form to the Iowa DOT, along with copies of the invoices and proof of payment, within six months after this agreement has been signed by the SPONSOR and the Iowa DOT.
5. All notices required under this agreement shall be made in writing to the Iowa DOT and the SPONSOR's contact person. The Iowa DOT's contact shall be the Office of Aviation (515/239-1468). The SPONSOR's contact person shall be Mike Taylor.
6. This agreement is not assignable without the prior written consent of the Iowa DOT.
7. It is the intent of both parties that no third party beneficiaries be created by this agreement.
8. This agreement shall be executed and delivered in two or more copies, each of which so executed and delivered shall be deemed to be an original and shall constitute but one and the same instrument.
9. The SPONSOR shall comply with all provisions of the equal employment opportunity requirements prohibiting discrimination and requiring affirmative action to assure equal employment opportunity as required by the Iowa Code Chapter 216. No person shall, on the grounds of age, race, creed, sex, color, national origin, religion, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination

under any program or activity for which the SPONSOR receives state funds from the Iowa DOT.

10. The Iowa DOT's obligation hereunder shall cease immediately, without penalty of further payment being required, in any year for which the General Assembly of the State of Iowa fails to make an appropriation or reappropriation to pay such obligations, and the Iowa DOT's obligations hereunder shall cease immediately without penalty of further payment being required at any time where there are not sufficient authorized funds lawfully available to the Iowa DOT to meet such obligations. The Iowa DOT shall give the SPONSOR notice of any termination of funding as soon as practicable after the Iowa DOT becomes aware of the failure of funding for this program. In the event the Iowa DOT provides such notice, the SPONSOR may terminate this agreement or any part thereof.
11. This agreement constitutes the entire agreement between the Iowa DOT and the SPONSOR concerning this project. Representations made before the signing of this agreement are not binding, and neither party has relied upon conflicting representations in entering into this agreement. Any change or alteration to the terms of this agreement must be made in the form of an addendum to this agreement. Said addendum shall become effective only upon written approval of the Iowa DOT and the SPONSOR.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date shown opposite its signature below.

SPONSOR:

ATTEST: (for SPONSOR)

Signed _____

By _____

Title _____

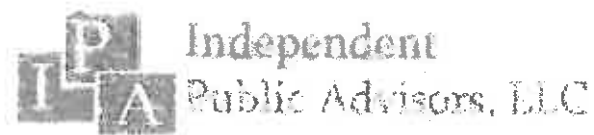
Title _____

Date _____

Date _____

IOWA DEPARTMENT OF TRANSPORTATION

By Michelle F. McEnany Date 7.2.14
Michelle F. McEnany
Director, Office of Aviation



July 1, 2014

Mike Taylor
City Administrator
City of Creston
116 W. Adams Street
Creston, Iowa 50801

Re: City of Creston ("Client")

Dear Mr. Taylor:

We are providing this Letter of Engagement ("Letter") to you to memorialize the terms of the parties' understanding of our prospective engagement by you as your Municipal Advisor to provide various municipal finance and/or securities related services, the issuance of municipal bonds, and continuing disclosure and dissemination agent services.

Pursuant to the terms of this Letter, Independent Public Advisors, LLC ("IPA") shall provide solely those services described within **Exhibit A** attached hereto upon request and nothing herein shall otherwise obligate IPA to provide any other services. If Client requests IPA to provide services in connection with any matter that differs in scope from those services set forth on **Exhibit A**, IPA shall deliver to Client an addendum to this Letter (an "Addendum") setting forth the parties' agreement as to the scope of IPA's services relative to any such matter.

Fees shall be assessed based on the various services provided in accordance with the following:

- **Sale Services:** If Client requests that IPA provide services specifically related to the sale of an issuance of securities ("Sale Services"), IPA shall provide Client an estimated fee or fee schedule based on the Sale Services to be provided by IPA prior to the issuance of such securities. Invoices will be provided on or about the day of sale and shall be payable within thirty (30) days of Client's receipt thereof.
- **Other Services:** IPA shall receive an annual fee of \$8,000 for any services provided to Client that are not related to the issuance of municipal securities. Invoices will be issued to Client quarterly, beginning July 1. Payment of any such invoice shall be due within thirty (30) days of the invoice date. Such fee will include payment for our provision of Dissemination Agent Services.

It is anticipated that from time to time IPA may incur certain out of pocket expenses while providing, or in furtherance of its provision of, services under this Letter. IPA shall be reimbursed by Client for any such expenses incurred promptly following Client's receipt of a

request relative thereto. Each such request will be accompanied by documentation sufficient to identify the amount of the expense incurred as well as the nature or purpose of the expense for which the reimbursement is being sought.

In our capacity as a Municipal Advisor, IPA owes Client a fiduciary duty; that is, we must act in Client's best interest. In this regard, as your Municipal Advisor we are hereby providing to you those disclosures contained within **Exhibit B** hereto relative to any actual or potential material conflicts of interest that may exist with regard to our engagement. Client's execution of this Letter shall serve as an acknowledgement of Client's receipt and understanding of these disclosures, and shall constitute Client's waiver of any such conflicts of interest thereby allowing IPA to proceed under this Letter. If any additional material conflicts of interest are discovered by us while this Letter remains in effect, we shall promptly provide supplemental disclosures to you relative to any such conflict.

Our engagement shall be effective as of the date on which this Letter is acknowledged by Client (the "Effective Date") and shall remain in effect until terminated by either party upon thirty (30) days prior written notice to the other party. In the event that this Letter is terminated, no quarterly fees shall be refunded to Client. In addition, if any services are provided prior to the effective date of the termination, IPA reserves the right to assess fees based on IPA's customary hourly fee for the time IPA spent providing such services to Client.

Client shall make available to IPA any and all information, reports, statistical data, legal opinions and such other documents as may be requested by us from time to time as we deem necessary with respect to our provision of services pursuant to this Letter. In addition, Client shall notify IPA, in writing, within five (5) days of the occurrence of any Significant Event (as hereinafter defined in Exhibit A). Such notice must contain instructions for IPA relative to any such Significant Event requesting IPA to either file or refrain from filing any notices with the applicable disclosure repositories relative to such Significant Event. If Client notifies IPA of a Significant Event, but such notification is received by IPA in excess of such five (5) day period, IPA shall utilize its best efforts to ensure that all requested disclosure filings are filed in a timely manner. However, in such an instance, Client shall be deemed, by virtue of Client's failure to timely notify IPA of the occurrence of a Significant Event, to have waived any and all claims it may have had against IPA as a result of any filings that are made subsequent to the requisite filing date. Similarly, if Client fails to timely review any Annual Report (as hereinafter defined in Exhibit A) prepared by IPA and such failure results in any such Annual Report being filed subsequent to the requisite filing date, Client will be deemed to have waived any claim it may have had against IPA as a result of any such delinquent filing.

All information and documentation provided to us by Client in accordance with the foregoing shall be factual and not misleading, and Client shall not intentionally omit any material information or documentation relative to Client that may be relevant to our effective delivery of services pursuant to this Letter. In this regard, Client hereby agrees to indemnify, defend and hold IPA harmless against any loss, liability, assessment, damage or expense (including reasonable attorneys' fees) incurred or arising out of, or in connection with any information or documentation provided by Client. The foregoing also extends to claims and/or damages arising out of (i) Client's failure to timely notify IPA of the occurrence of any Significant Event, or (ii)

to IPA's filing, or not filing, of any particular disclosure report as a result of instructions received from Client relative thereto.

If the terms of this Letter are acceptable to you, please execute and return a copy of this Letter to my attention at your earliest convenience. We sincerely appreciate this opportunity to be of service, and look forward to working with you.

Sincerely,

INDEPENDENT PUBLIC ADVISORS, LLC

By: 
Tionna Reed Pooler, President

SO ACKNOWLEDGED:

By: City of Creston. Iowa

By: _____
[Name], [Position]

Date: _____

EXHIBIT A

DISSEMINATION AGENT SERVICES

IPA shall provide the following services to Client on an annual basis and pursuant to the terms of this Letter:

- (i) IPA shall make an initial compilation of the information and data required to be disseminated pursuant to Client's continuing disclosure obligations;
- (ii) Following IPA's compilation of such information and data, IPA will prepare an annual report based upon that data in a manner consistent with the requirements of SEC Rule 15c2-12 and Client's continuing disclosure obligations (the "Annual Report");
- (iii) Upon completing the initial draft of the Annual Report, IPA will submit the Annual Report to the Client in a timely manner for final review and approval by Client, and
- (iv) After receiving such Annual Report, Client shall promptly review the form and substance of such Annual Report and approve such form and substance or, alternatively, make changes in such form and substance of the Annual Report as Client deems necessary in its sole discretion. Client shall indicate its final approval of the final form and substance of such Annual Report, in writing.

In preparing the Annual Report, IPA will rely upon such information and documents it receives from Client or which it collects on Client's behalf from sources deemed to be reliable. In addition, the Annual Report shall contain or incorporate by reference the financial information and operating data specified in the applicable Continuing Disclosure Certificate or in any other relevant document which the Client identifies in writing to IPA relating to any securities issuance for which the Annual Report is to pertain. Notwithstanding the foregoing, IPA shall have no responsibility for the accuracy of the information in the Annual Report as reviewed and approved by Client and shall have no due diligence responsibility with respect thereto. IPA shall file with the appropriate disclosure repository prior to or on such date as the Annual Report is required to be filed in connection with each securities issuance for which an Annual Report is required to be filed commencing with the first filing deadline following the execution of this Letter and subject to the terms thereof.

Notwithstanding the foregoing, IPA shall not provide any recommendations or advice to Client with respect to the materiality of any information or data compiled or discovered by IPA during its compilation of information and data contained within the Annual Report, unless otherwise agree to be the parties in writing.

If IPA has not received a copy of the Annual Report approved by the Client in a timely manner, with such changes thereto as the Client may require, IPA shall contact the Client to determine the status of Client's review thereof.

Reporting of Significant Events. In its capacity as Dissemination Agent, IPA shall prepare and file all necessary reports relating to the occurrence of certain events relative to Client or any securities issuances Client may have outstanding that require Client to report such events (each a "Significant Event"). In this regard, and for illustrative purposes only, the following represent Significant Events for which a report is to be filed:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;

- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) modifications to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the securities, material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

In accordance with the terms of this Letter, Client must notify IPA, in writing, of the occurrence of any Significant Event within five (5) days of the occurrence thereof. IPA shall have no responsibility for identifying any such Significant Event or determining whether any such Significant Event requires disclosure.

If IPA receives instructions from Client to report the occurrence of a Significant Event, IPA shall prepare and file a notice of such occurrence with the appropriate disclosure repository promptly upon IPA's receipt of such instructions from Client and in a manner designed to meet all applicable regulatory timelines, subject to the provisions of the Letter.

ISSUANCE SERVICES

Services related to the issuance of bonds will include, as applicable, the following:

- (i) Advise on the method of sale;
- (ii) Development of an issuance calendar and the coordination/selection of necessary professionals (included feasibility consultants, financial printers, bond insurers, arbitrage rebate advisors, and broker dealers);
- (iii) Analysis of revenues anticipated to be pledged to the payment of the bonds;
- (iv) Development or review of offering documents;
- (v) In the event a rating is sought for the bonds, the preparation of materials for presentation to the rating agencies;
- (vi) Determination of the proper size and structure of the bonds;
- (vii) Provision of documents and data to potential underwriters/purchasers for consideration prior to the sale of bonds;
- (viii) Preparation of a request for proposal or bidding documents;
- (ix) Determination of the low-cost bidder following a competitive sale of bonds;
- (x) Provision of a bid/proposal summary;
- (xi) Attendance at council meetings to offer formal recommendations for the sale of bonds and, as requested, to facilitate planning, discussion, and education regarding the sale of bonds; and
- (xii) Review of outstanding debt for an opportunity to execute a refunding issuance in connection with a new money issuance.

IPA is NOT an investment advisor, and as such, Sale Services do not include advice on the investment of bond proceeds, structuring of refunding escrows, or advice regarding arbitrage

compliance. Should these services be required, IPA will assist Client in the procurement of such services at the request of Client.

OTHER SERVICES

In addition to the services named above, IPA will provide other advisory services not specific to the sale of bonds. These services include:

- (i) Provision of general debt schedules for planning purposes for bonds not related to a specific issuance;
- (ii) Development of fund analysis for enterprise funds, debt levy funds, tax increment funds, and other such funds as requested. Analysis will included review of historical performance, as well as projections;
- (iii) Rate studies to determine required enterprise fund revenues;
- (iv) Assistance with preparation of state-required special fund reports when appropriate;
- (v) Review of developer proposals;
- (vi) Review of financial polies;
- (vii) Attendance at meetings as requested;
- (viii) Other non-sale services not identified in this scope may be provided as agreed upon in writing by Client and IPA. Should other services require an additional fee, such fee will be disclosed prior to any additional engagement.

EXHIBIT B

DISCLOSURE OF CONFLICTS OF INTEREST

MSRB rules require IPA, in its capacity as your Municipal Advisor, to provide written disclosures to you regarding actual or potential material conflicts of interest relative to our engagement. The following represent IPA those actual and potential material conflicts of interest known to IPA as of the date of this Letter.

Solicitors. IPA does not use solicitors to secure municipal engagements or share fees with any other parties as part of a municipal engagement.

Forms of compensation; potential conflicts. The forms of compensation for Municipal Advisors vary according to the nature of the engagement and requirements of the client. Various forms of compensation present potential conflicts of interest because they may create an incentive for an advisor to recommend one course of action over another if it is more beneficial to the advisor to do so. The following identifies various forms of compensation and their respective conflicts:

Fixed fee. Under a fixed fee form of compensation, the Municipal Advisor is paid a fixed amount established at the outset of the transaction. The amount is usually based upon an analysis by the client and the advisor of, among other things, the expected duration and complexity of the transaction and the agreed-upon scope of work that the advisor will perform. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. There may be additional conflicts of interest if the Municipal Advisor's fee is contingent upon the successful completion of a financing, as described below.

Hourly fee. Under an hourly fee form of compensation, the Municipal Advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the client and the advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. In some cases, an hourly fee may be applied against a retainer (*e.g.*, a retainer payable monthly), in which case it is payable whether or not a financing closes. Alternatively, it may be contingent upon the successful completion of a financing, in which case there may be additional conflicts of interest, as described below.

Fee contingent upon the completion of a financing or other transaction. Under a contingent fee form of compensation, payment of an advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for the client, it presents a conflict because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Fee paid under a retainer agreement. Under a retainer agreement, fees are paid to a Municipal Advisor periodically (*e.g.*, monthly) and are not contingent upon the completion of a financing or other transaction. Fees paid under a retainer agreement may be calculated on a fixed fee basis

(*e.g.*, a fixed fee per month regardless of the number of hours worked) or an hourly basis (*e.g.*, a minimum monthly payment, with additional amounts payable if a certain number of hours worked is exceeded). A retainer agreement does not present the conflicts associated with a contingent fee arrangement (described above).

Fee based upon principal or notional amount and term of transaction. Under this form of compensation, the Municipal Advisor's fee is based upon a percentage of the principal amount of an issue of securities (*e.g.*, bonds) or, in the case of a derivative, the present value of or notional amount and term of the derivative. This form of compensation presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue or modify the derivative for the purpose of increasing the advisor's compensation.

Disclosure of Legal or Disciplinary Actions. IPA does not have such actions to report.

Other Material Conflicts. IPA represents a number of similar clients. A conflict could occur in the event that IPA is required to provide services to overlapping municipal entities where the advice provided may be detrimental to the interests of another client. With respect to our engagement under this Letter, IPA has identified no such conflict.

GFOA ISSUE BRIEF: SEC MUNICIPAL ADVISOR RULE (JAN 2014*)

UPDATES TO THE ORIGINAL ISSUE BRIEF ARE NOTED IN ITALIC

In September, the Securities and Exchange Commission (SEC) gave final approval to the definition of “municipal advisor” (MA), and, this month, produced supplementary Frequently Asked Questions about the rule. The SEC municipal advisor rule specifies which activities will be covered by the *Dodd-Frank Act* imposed fiduciary duty of a municipal advisor to its government client, may result in the need for new written representations by issuers, and may limit the manner in which the underwriters and other professionals interact with issuers. Additionally, forthcoming rulemaking by the Municipal Securities Rulemaking Board (MSRB) may cause further changes to the manner in which state and local government are able to interact with the outside finance professionals. The SEC release may be found at <http://www.gpo.gov/fdsys/pkg/FR-2013-11-12/pdf/2013-23524.pdf>, and the SEC FAQ may be found at <http://www.sec.gov/info/municipal/mun-advisors-faqs.shtml>.

Most importantly for GFOA members, unlike the proposed rule, all state and local government employees, board members, committee members and others are clearly exempted from the rule when acting in their official capacity. The exemption also applies to government employees and officials who may have to participate on other government boards and committees as part of their job. The rule also specifically states that, if a government official is also a municipal advisor outside of his or her government responsibilities (e.g., a part time city council member may have a career as a financial advisor), those professionals are still bound by the municipal advisor rules for their work unrelated to their official government capacity.

Top Items Issuers Need to Know About the Rule

- *The effective date has been extended from January 13, 2014 to July 1, 2014.*
- Municipal advisors have an explicit fiduciary duty to their government clients.
- Under the Rule, underwriters and other professionals that do not have a fiduciary duty to issuers will not be able to provide advice to governments unless certain exemptions are met. For instance, an underwriter may not recommend a specific type of financing to the issuer unless the issuer has a MA or has a RFP out for underwriting services related to a specific transaction.
- Underwriters will be able to communicate with issuers about general market issues, facts and ideas, however, unless an exemption is met, they can not advise a government to take a specific action.
- When an issuer has a MA on a transaction and wants to receive certain types of advice or recommendations from the underwriter or other professionals, the issuer will need to represent to the underwriter or other professionals in writing that they have a MA. *The SEC has stated that an issuer may post this representation on their web site as long as the posting states that the representation is intended to establish the independent MA exemption.*
- It is important to note that the GFOA’s Best Practices strongly recommend that governments hire a municipal advisor for their bond transactions (BPs – Selecting a Financial Advisor, Selecting and Managing the Method of Sale of State and Local Government Bonds).
- Responses to RFPs or RFQs (including mini RFPs) are not considered to be municipal advice. *An RFP must be for a specific objective (e.g., ideas on how to structure a particular issuance of municipal securities to finance an identified capital project or program), although it does not need to be a formal procurement. The SEC has recently stated that governments must send RFPs out to at least three firms and/or the RFP may be posted on the government’s website, and the RFP must not be out for response longer than six months.* Please note that GFOA recommends that all governments utilize an RFP process to engage professionals involved in their bond transaction (BPs – Selecting a Financial Advisor, Selecting Underwriters).
- Advice on the “issuance of municipal securities” includes advice during the entire lifespan of the transaction – from the earliest pre-planning stages through maturity or earlier redemption.
- MAs will be mandated to take professional exams, and adhere to forthcoming MSRB rulemaking.
- Issuers that want advice on how to invest monies that are not bond proceeds or in escrows to pay for bonds, may be requested by their broker to represent in writing that those monies are not bond proceeds or in escrows to pay for bonds.

Below is a 2-page summary of the rule, as well as more detailed discussion of the various provisions. Please note that throughout this document the term “municipal entities” refers to state and local governments and other political subdivisions within a state, as well as other types of entities as summarized on page 4.

HIGHLIGHTS OF RULE

Who is a municipal advisor?

- A municipal advisor is a person who provides “advice” to a state or local government on municipal financial products or the issuance of municipal securities. No compensation is required.
- Certain firms that are compensated by unrelated broker-dealers, financial advisors, or investment advisors to solicit business from municipal entities or obligated persons including state and local pension plans, local government investment pools, other participant-directed investment programs or plans, and state and local governments are also municipal advisors.
- Underwriters, attorneys, engineers, accountants, investment advisors, commodity trading advisors and swap dealers are not considered municipal advisors when meeting the exemption standards explained below. This includes when the issuer has made a written representation that it has hired an independent financial advisor for the transaction.

What is advice?

- A recommendation on financial products entered into by state and local governments (“municipal financial products”) or the issuance of municipal securities is “advice” if the information communicated to the municipal entity is reasonably viewed as a “call to action” to be taken by the issuer. That would be the case if an underwriter or other professional recommends a course of action that is particularized to the government’s needs.
- Advice on the “issuance of municipal securities” includes advice throughout the life of an issue of municipal securities, from the pre-issuance planning stage for a debt transaction involving the issuance of municipal securities until the bonds mature or are redeemed.
- Advice on “municipal financial products” includes advice on swaps, GICs, and investment strategies (i.e., the investment of bond proceeds or municipal escrows established to pay for bonds). Investment strategies with respect to the investment of other state and local funds are exempted from the rule.

What is the duty of a municipal advisor?

- Municipal advisors have a fiduciary duty to their state and local government clients. They have a more limited duty of Fair dealing to their obligated person clients (e.g. conduit borrowers) if the obligated person is not a state or local government. Fair dealing in this context means that a proposal must be fairly presented and executed. The material terms and risks of the proposal must be disclosed.

Who is exempt from the definition of “municipal advisor”?

- **State and local government employee and official exemption.** All state and local employees, governing body members, and other officials are exempt from municipal advisor regulation to the extent that they act within the scope of their employment or official capacity.
- **When a government has an independent municipal advisor exemption.** State and local governments that are represented by independent municipal advisors may receive advice from underwriters and others on the issuance of municipal securities or municipal financial products as long as an independent municipal advisor is providing advice to the issuer on the same aspects of the municipal financial product or issuance of municipal securities **AND** the municipal entity represents in writing it is relying on their own municipal advisors. **Note:** This exemption is not limited to underwriters. The rule does not specify who has to provide the representation on behalf of the municipal entity.

- **RFP exemption.** Firms responding to RFPs, include mini RFPs, may respond to the RFP with recommendations and advice without becoming municipal advisors. *The SEC stated in its 1/10/14 FAQs that an RFP must be for a specific objective (e.g., ideas on how to structure a particular issuance of municipal securities to finance an identified capital project or program), although it does not need to be a formal procurement, may not be out for responses longer than six months, and must be sent to at least three firms and/or posted on the government's website.*
- **Underwriter exemption.** Underwriters may provide advice on the structure, timing, terms, and similar matters concerning a transaction under the "underwriter exemption" only during the period of time beginning when they are engaged for a particular transaction and ending at the end of the underwriting period (the later of closing or the date the underwriter no longer has an unsold balance) (see page 6). *The SEC's 1/10/13 FAQs further detail by example the types of information that an underwriter can and can not provide. The SEC has also stated in those FAQs that an underwriter and issuer may sign an engagement letter or letter of intent early in the process, in order for the underwriter exemption to apply. That letter may subject to conditions, such as formal approval of the selection of the underwriter by the governing body or finalizing the structure of the issue of municipal securities. It may also state the engagement is nonbinding and that it can be terminated by either party. It may also limit the liability of the parties to the engagement letter.*
- **Note:** Underwriters may also provide further advice when the government has hired an independent MA and meets the requirements for that exemption or when within the "RFP" exemption applies. Underwriters may also provide many other types of information to municipal entities (including general market information and information about their qualifications) that does not rise to the level of advice without acting as a municipal advisor.
- **Others.** As discussed further below, the rule also provides specific exemptions for attorneys, engineers, accountants, registered investment advisors, commodity trading advisors, registered swap dealers, and most banking activities.

When does the rule take effect?

- *The rule is effective July 1, 2014. Permanent registration of municipal advisors by the SEC will start in July 2014. In the interim, the temporary registration rule expiration date has been extended to December 31, 2014. It is important to note that further MSRB rulemaking on issues such as fiduciary duty, political contributions, fair dealing, gifts and gratuities, supervision, and professional qualifications will need to be completed before specific rules are in place for these professionals. However, a fiduciary duty standard is already in place, per the Dodd-Frank Act, although it has yet to be specifically defined in final rulemaking by the MSRB.*
- Municipal advisors are already required to register with the SEC and the MSRB. A state or local government can determine whether a firm is registered as a municipal advisor by the MSRB by going to <http://www.msrb.org/msrb1/PQweb/MARegistrants.asp>. A list of firms registered with SEC as municipal advisors may be found by going to <https://tts.sec.gov/MATR/index.html>.

The GFOA wishes to acknowledge the assistance that Peg Henry of Jefferies LLC provided in the preparation of this brief.

DETAILED SUMMARY OF RULE

Definition of “Municipal Advisor”

- A “municipal advisor” is a firm and its associated persons that provides “advice,” with or without compensation, to “municipal entities” or “obligated persons” on the “issuance of municipal securities” or “municipal financial products.” The term “municipal advisor” also covers those persons who, are compensated to solicit business on behalf of an unrelated broker-dealer, municipal advisor or investment advisor to be hired for the transaction or to provide investment advice. Note: Advice on investments of bond proceeds and municipal escrows is considered advice on “municipal financial products,” not “advice on the issuance of municipal securities.” State and local governments should consider that when considering the exemptions described below.

Definition of “Municipal Entity”

- “Municipal entity” means “any State, political subdivision of a State, or municipal corporate instrumentality of a State, including:
 - any agency, authority, or instrumentality of the State, political subdivision, or municipal corporate instrumentality;
 - any other issuer of municipal securities; and
 - any plan, program, or pool of assets sponsored or established by the State, political subdivision, or municipal corporate instrumentality or any agency, authority, or instrumentality thereof, including:
 - public pension funds,
 - local government investment pools
 - other state and local governmental entities or funds
 - participant-directed investment programs or plans such as 529, 403(b), and 457 plans.
 - Charter schools are considered “municipal entities” unless all of the funds they are pledging for a bond transaction come from sources other than government entities.

“Definition of Advice”

- “Advice” includes a recommendation that is particularized to the specific needs, objectives, or circumstances of a “municipal entity” or “obligated person” with respect to municipal financial products or the issuance of municipal securities, including with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues, based on all the facts and circumstances. *This could include materials that an underwriter presents containing subjective information about their views regarding the interest rates it can achieve for an underwriting of the issuer's securities. Additionally, an underwriter may not provide guidance to an issuer without an exemption when determining whether an event is material for purposes of continuing disclosure compliance. The underwriter exemption will not cover such advice.*
- *Additional information on what is and is not advice may be found in the SEC's 1/10/14 FAQs. Please note that it is the responsibility of outside professionals, e.g. underwriters, to adhere to these rules, not the issuer.*
- “Advice” does **NOT** include:
 - Information of a factual nature without subjective assumptions, opinions, or views.
 - Information that is not particularized to a specific municipal entity or type of municipal entity, with a call to action.
 - Information that is widely disseminated for use by the public, clients, or market participants other than municipal entities or obligated persons.
 - General information in the nature of educational materials.

- Advice on the “issuance of municipal securities” includes advice throughout the life of an issue of municipal securities, from the pre-issuance planning stage for a debt transaction involving the issue of municipal securities until those securities are redeemed or mature. Advice on municipal financial products is defined on page 9 of this summary.

Fiduciary Duty

- A municipal advisor has a fiduciary duty to its “municipal entity” clients.
- “Fiduciary duty” is generally understood to encompass a duty of loyalty and a duty of care. *MSRB has proposed rulemaking related to fiduciary duty, which may be found at <http://www.msrb.org/~media/Files/Regulatory-Notices/RFCs/2014-01.ashx?n=1>*
 - Under the duty of loyalty, a fiduciary is required to act in its client’s best interests without regard to its own financial or other interests. The fiduciary is also required to disclose conflicts of interest that might impair its ability to fulfill its duty of loyalty and not to undertake engagements if it cannot manage those conflicts. Certain conflicts may be determined to be unmanageable and will not be allowed.
 - Under the duty of care, a fiduciary must be qualified to undertake its engagement and consider alternatives to those presented to the client that might better serve its client’s interests.

Exemptions to Definition of “Municipal Advisor”

The SEC muni advisor rule provides certain exemptions to the definition of “municipal advisor.” They are based on activities rather than status.

- **State and local government employee and official exemption.** The rule excepts from the definition of municipal advisor “[a]ny person serving as a member of a governing body, an advisory board, or a committee of, or acting in a similar official capacity with respect to, or as an official of, a municipal entity to the extent that such person is acting within the scope of such person’s official capacity” and “any employee of a municipal entity to the extent that such person is acting within the scope of such person’s employment.” A similar exemption applies to employees and officials of obligated persons (e.g., conduit borrowers).
- **Exemptions for certain professionals.**
 - **Attorneys.** The rule exempts attorneys providing legal advice or providing services that are of a traditional legal nature with respect to the issuance of municipal securities or municipal financial products to clients of such attorneys that are municipal entities, obligated persons, or other participants in the transaction. The exemption does not apply to the extent an attorney represents himself or herself as a financial advisor or financial expert regarding the issuance of municipal securities or municipal financial products.
 - **Engineers.** The rule exempts engineers to the extent that they are providing engineering advice. Exempted activities include feasibility studies, cash flow analyses, and similar activities to the extent they do not include advice beyond the engineering aspects of a project. The exemption does not cover activities in which an engineer provides advice to a municipal entity or obligated person regarding municipal financial products or the issuance of municipal securities.
 - **Accountants.** The rule exempts an accountant to the extent that the accountant is providing audit or other attest services, preparing financial statements, or issuing letters for underwriters for, or on behalf of, a municipal entity or obligated person.

Exemptions for certain professionals, continued

- **Registered investment advisers.** The rule exempts federally-registered investment advisers and their associated persons to the extent they are providing investment advice. "Investment advice" does not include advice concerning whether and how to issue municipal securities, advice concerning the structure, timing, and terms of an issuance of municipal securities and other similar matters, advice concerning municipal derivatives, or a solicitation of a municipal entity or obligated person, even if such activities are under an advisory agreement. State-registered investment advisers are not covered by this exemption.
- **Remarketing agents.** *Standard remarketing agent services are not advice. However, the agent can not provide a recommendation, opinion, or view on a primary offering. A primary offering is not limited to the original issuance of VRDOs. It can also include interest rate mode conversions and credit or liquidity substitutions.*
- **Commodity Trading Advisors.** The rule exempts CFTC-registered swap advisors to the extent they are providing swap advice.
- **Swap Dealers.** The rule exempts CFTC-registered swap dealers that are not "acting as an advisor" to a municipal entity or obligated person under the provisions of the Commodity Exchange Act.
- **"Bank Exemption".**
 - Banks are exempted from the definition of "municipal advisor" to the extent they provide advice on:
 - investments that are held in a deposit account, savings account, certificate of deposit, or other deposit instrument issued by a bank;
 - any extension of credit by a bank to a municipal entity or obligated person, including the issuance of a letter of credit, the making of a direct loan, or the purchase of a municipal security by the bank for its own account;
 - funds held in certain sweep accounts; or
 - any investment made by a bank acting in the capacity of an indenture trustee or similar capacity.
 - The bank exemption does not apply to the extent that banks are providing advice to municipal entities or obligated persons on the issuance of municipal securities or municipal financial products, including swaps
- **"Underwriter Exemption."** The "underwriter exemption" applies when a dealer has been engaged to underwrite a particular issue of municipal securities and continues until the end of the underwriting period for that issue. "Private placements" of municipal securities are treated like underwritings for purposes of this rule.
 - The "underwriter exemption" allows the underwriter to provide advice in these specific areas in a non-fiduciary capacity:
 - Advice regarding the structure, timing, terms, and other similar matters concerning a particular issue of municipal securities (except as otherwise provided below).
 - Preparation of rating strategies and presentations related to the issue being underwritten.
 - Preparations for and assistance with investor "road shows" and investor discussions related to the issue being underwritten.
 - Advice regarding retail order periods and institutional marketing if the issuer has decided to engage in a negotiated sale.
 - Assistance in the preparation of the POS and OS.
 - Assistance with the closing of the issue, including negotiation and discussion with respect to all documents, certificates, and opinions needed for the closing.
 - Coordination with respect to obtaining CUSIP numbers and the registration with DTC.
 - Preparation of post-sale reports for the issue.
 - Structuring of refunding escrow cash flow requirements, but not the recommendation of and brokerage of particular municipal escrow investments.

“Underwriter Exemption”, continued

- The “underwriter exemption” does NOT allow the underwriter to provide advice in the following areas:¹
 - Advice on what method of sale (competitive sale or negotiated sale) an issuer should use for an issue of municipal securities.
 - Pre-selection activities (e.g., RFP responses or other business solicitation activities).
 - “Advice” to an issuer as part of an underwriting pool when the firm has not been selected to be the underwriter on a specific issue.
 - Advice to an issuer when the firm has been selected as underwriter for a period of time but not for a specific issue.
 - Advice on “municipal financial products,” as defined later in this summary.
 - Advice on whether a governing body of an issuer should approve or authorize an issue of municipal securities.
 - Advice on a bond election campaign.
 - Advice that is not specific to a particular issue of municipal securities for which a firm is serving as underwriter and that involves analysis or strategic services with respect to overall financing options, debt capacity constraints, debt portfolio impacts, analysis of effects of debt or expenditures under various economic assumptions, or other impacts of funding or financing capital projects or working capital.
 - Assisting issuers with competitive sales, including bid verification, true interest cost (TIC) calculations and reconciliations, verifications of bidding platform calculations, and preparation of notices of sale.
 - Preparation of financial feasibility analyses with respect to new projects.
 - Budget planning and analyses and budget implementation issues with respect to debt issuance and collateral budgetary impacts.
 - Advice on an overall rating strategy that is not related to a particular issue of municipal securities for which a firm is serving as an underwriter, including advice and actions taken on behalf of an issuer between financing transactions.
 - Advice on overall financial controls that are not related to a particular issue of municipal securities for which a firm is serving as an underwriter.
 - Advice regarding the terms of RFPs or RFQs for underwriters or other professionals for a project financing and advice regarding review of responses to such requests, including matters regarding compensation of such underwriters or other professionals.
 - Advice with respect to municipal derivatives
 - Advice with respect to the investment of proceeds
 - *Helping an issuer determine if an event is material for continuing disclosure compliance purposes.*
 - *Providing subjective information about its views related to interest rates that it can achieve in an underwriting of the issuer’s securities.*

Governments should enter into a letter of intent/letter of engagement with their underwriter at the beginning of a specific transaction in order for the underwriter exemption to apply.

¹ To avoid being considered a “municipal advisor,” a dealer that is providing “advice” must be covered by another exemption (i.e., the independent municipal advisor exemption or the RFP exemption).

Other Exemptions (these exemptions are not limited to underwriters)

- Certain activities that involve “advice” but do not qualify for the underwriter exemption may qualify for either the “RFP exemption” or when the government has hired an “independent financial advisor”.
 - The “**RFP exemption**” applies to responses to issuer RFPs and RFQs. This exemption also covers responses to “mini-RFPs” sent by issuers to firms it has already selected as part of its underwriting pool. *Governments must send out RFPs to at least three firms and/or post the RFP on their websites. The RFP must relate to a specific objective (e.g., ideas on how to structure a particular issuance of municipal securities to finance an identified capital project or program), although it does not need to be a formal procurement, and the RFP may not be outstanding for more than six months. Additionally, if a government has a pool of underwriters, in order to receive additional information about a transaction that could be considered advice, the government may issue a mini RFP to those firms, which can not be outstanding for more than three months.* RFP responses are subject to fair dealing, suitability, or other standards even if the RFP exemption applies.
 - “**Issuer has hired an independent municipal advisor exemption.**” When a government has hired an independent municipal advisor, and has made that representation known in writing to the proposed underwriter or person seeking to rely on the exemption and/or has posted this declaration on their web sites, the underwriter or person may make proposals that will be evaluated by the MA. Note: The MA must have been hired to evaluate proposals such as the one the proposed underwriter wants to present.
- An MA is “independent” of the proposed underwriter if it has not been an “associated person” of the proposed underwriter within the last 2 years. Note there is a difference between this test for “independence” and that of the CFTC for swap advisors, which imposes a 1-year test among other factors.
- For an underwriter or other types of professionals to rely on the “issuer has hired an independent MA” exemption, the underwriter or other firm must:
 - ✓ Obtain a written representation from the issuer that it is represented by, and will rely on the advice of, an independent registered municipal advisor. *The written representation from the issuer may be a declaration posted on the issuer’s web site as long as the posting states that the representation is intended to establish the independent MA exemption.*
 - ✓ Provide written disclosure to the issuer and its MA that, by obtaining such representation from the issuer, the firm is not a municipal advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Exchange Act with respect to the municipal financial product or issuance of municipal securities.
 - ✓ Such disclosure must be made at a time and in a manner reasonably designed to allow the issuer to assess the material incentives and conflicts of interest that such person may have in connection with the municipal advisory activities. The level and timing of disclosure required may vary according to the issuer’s knowledge or experience.
- **Possible Limits on the Role of Underwriter when No Specific Exemption Applies:** If there is no specific exemption that the underwriter or other professional may use (issuer has a MA, there is an RFP), then the underwriter or professional may not provide “advice” on the issuance of municipal securities or municipal financial products to the issuer. It is important to note that **GFOA’s Best Practice recommends that issuers hire a financial advisor. Relevant to this rule, doing so will allow the issuer to receive a greater amount of advice from underwriters and other professionals.**

Obligated Persons

- Similar rules apply to “advice” provided to “obligated persons,” although a municipal advisor does not have a fiduciary duty to an obligated person that is not a municipal entity.
- An “obligated person” is broader than the concept of “conduit borrower.” It is defined under the SEC muni advisor rule the same way it is defined under SEC Rule 15c2-12. Rule 15c2-12 defines the term “obligated person” to mean “any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the municipal securities to be sold in the Offering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).” The federal government is also not considered to be an “obligated person.”
- If a client is only considering a conduit financing as opposed to some other form of financing, the client is not an obligated person. A firm will not be a municipal advisor to an obligated person until the obligated person has begun the process of applying to, or negotiating with, a municipal entity to issue conduit bonds on behalf of the obligated person.
- An entity is considered an “obligated person” only when it is acting in its capacity as such. For example, a firm providing advice to a non-profit hospital on the sale of a building that was not financed with bond proceeds and does not otherwise secure a conduit borrowing of the hospital would not be a MA.

Municipal Financial Products

- “Municipal financial products” are “municipal derivatives,” “GICs,” and “investment strategies.”
- “Investment strategies” are advice on the investment of the proceeds of municipal securities and the recommendation and brokerage of municipal escrows.
- The SEC MA rule adopts the same definition of “proceeds” as that of the IRS arbitrage rebate rules (i.e.):
 - monies derived by a municipal entity from the sale of municipal securities,
 - investment income derived from the investment or reinvestment of such monies,
 - any monies of a municipal entity or obligated person held in funds under legal documents for the municipal securities that are reasonably expected to be used as security or a source of payment for the payment of the debt service on the municipal securities, including reserves, sinking funds, and pledged funds created for such purpose, and
 - the investment income derived from the investment or reinvestment of monies in such funds.
- The mere fact that bond proceeds are comingled with other funds does not mean that they are spent for tax purposes. However, if certain investment proceeds are deposited in a comingled fund with substantial tax or other revenues from governmental operations of a municipal issuer and reasonably expected to be spent within six months of the comingling, they will be treated as spent at the time of comingling.
- On whether amount are proceeds, a firm may reasonably rely on the written representations of a knowledgeable official of the municipal entity or obligated person whose funds are to be invested regarding the nature of such funds.
- “Municipal derivatives” are “swaps” or “security-based swaps” with a counterparty that is a municipal entity or obligated person.

Public Pensions

Many of the placement agents and third-party marketers that solicit business from public pension funds on behalf of investment advisors are considered municipal advisors. To be municipal advisors they must receive compensation for soliciting business on behalf of an unrelated third party. The types of business covered are investment advisory business, municipal securities business, and municipal financial products business.

Placement agents and third-party marketers do not owe a fiduciary duty to the pension funds they solicit, because the pension funds are not their clients. However, they do have a duty of fair dealing to the pension funds and will be covered by other MSRB rules.

Local Government Investment Pools

Many smaller local governments invest their funds in local government investment pools. The same rules that apply to advisors to pension funds also apply to local government investment pools. Therefore, those firms that are paid to solicit investment advisory business from LGIPs on behalf of unrelated third parties will be considered municipal advisors.

Instr. Number: 2014-00001200
BK: 1080 PG: 298
Recorded: 6/24/2014 at 1:07:09.0 PM
Fee Amount: \$12.00
Transfer Tax:
Union County, Iowa
Paula White - Recorder

Prepared By: Kevin Kruse, Public Works Director 116 W. Adams Street, Creston, Iowa 50801
Return To: Lisa Williamson

641-782-2000

RESOLUTION NO. 157 – 14

RESOLUTION TO APPROVE THE SALE OF A VACATED PORTION OF OAK STREET BEING LOCATED SOUTH OF UNION STREET:

WHEREAS, the Creston City Council has received a request from the Holy Spirit Church to purchase the vacated portion of Oak Street, south of Union Street, to-wit:

The vacated portion of Oak Street lying south of Union Street to a platted alley and located between Lots 895 & 896 of the Original Plat, Creston, Union County, Iowa.

WHEREAS, a Public Hearing was held on June 17, 2014, at 6:00 p.m. regarding the sale of this vacated portion of Oak Street; and,

WHEREAS, this portion of Oak Street was previously vacated by Resolution #152 on June 4, 2002, but was not sold at that time; and,

WHEREAS, using the formula adopted by the City for the sale of vacated streets and alleys, this vacated portion of Oak Street should be sold at 75% of the adjacent assessed land values, which is \$3,051.00; and,

WHEREAS, after the Public Hearing, the Council has determined to sell the vacated portion of Oak Street lying south of Union street to the Holy Spirit Church for \$3,051.00 plus recording and legal fees.

BE AND IT IS HEREBY RESOLVED that the sale of the vacated portion of Oak Street lying south of Union Street to the Holy Spirit Church for \$3,051.00 plus recording and legal fees shall be and is hereby approved.

BE AND IT IS FURTHER RESOLVED that the Mayor and Clerk are hereby authorized to execute the proper documentation necessary.


BE AND IT IS FURTHER RESOLVED that any Resolution in conflict herewith is hereby repealed.

BE AND IT IS FURTHER RESOLVED that this Resolution be effective immediately upon its passage and approval by the Creston City Council.

PASSED AND APPROVED this 17th day of June 2014.

ROLL CALL VOTE	AYE	NAY	ABSENT	ABSTAIN
Dave Koets	X			
Marsha Wilson	X			
Ann Levine	X			
Loyal Winborn	X			
Randy White	X			
Nancy Loudon	X			
Gary Lybarger	X			

ATTEST:


WARREN WOODS
MAYOR, CITY OF CRESTON


LISA WILLIAMSON
CITY CLERK

RESOLUTION NO. #50**RESOLUTION TO SET FORTH A PROCEDURE FOR THE SALE OF CITY OWNED REAL ESTATE:**

WHEREAS, in order to establish some consistency and a method of handling the sale of real estate, the City Council is determined that certain policies and procedures should be established so that the sale of city property is handled in a consistent fashion;

WHEREAS, in regard to the sale of vacated allies and streets up to forty (40) foot right-of-way in width, property shall be first offered to adjoining landowners at a price determined as follows, to-wit:

a. Rate =

$$\begin{aligned} & \text{Assessed value of all adjacent lots} \\ & \div \text{Square footage of all of those adjacent lots} \\ & \times 0.75 \end{aligned}$$

Purchase price =

$$\begin{aligned} & \text{Rate} \\ & \times \text{Square footage purchased;} \end{aligned}$$

b. The minimum purchase price shall not be less than \$150.00 ;

WHEREAS, any property which is not sold in this fashion will then be sold as set forth for all other City real estate;

WHEREAS, the procedure for all other real estate, including vacated allies and streets in excess of the width identified above and all other lots or public properties acquired in any other fashion shall be sold as follows:

1. By public auction or sealed bid;
2. Council may set a minimum bid in regard to any particular property or may waive a minimum bid if so desired;
3. A notice shall be published to advertise the sale or sealed bid which notice shall be in addition to any legal notices which may be required for the sale of City owned real estate;
4. There shall be at least one (1) publication no less than five (5) days prior to the date the property sold;

5. The publication will contain language indicating that any City property to be sold shall be sold "as is" without survey and with a Quit Claim Deed, and an abstract will be made available for review if it is available. However, the City will not provide an abstract nor update any existing abstracts in the course of the sale or transfer of City properties.

WHEREAS, the City Council may, for good cause shown, waive or modify any of the procedures set forth herein.

BE AND IT IS HEREBY RESOLVED that in regard to the sale of vacated allies and streets up to forty (40) foot right-of-way in width, property shall be first offered to adjoining landowners at a price determined as follows, to-wit:

a. Rate =
 Assessed value of all adjacent lots
 ÷ Square footage of all of those adjacent lots
 × 0.75

 Purchase price =
 Rate
 × Square footage purchased;

- b. The minimum purchase price shall not be less than \$150.00.

BE AND IT IS FURTHER RESOLVED that the following procedures shall be established concerning the sale of City owned real estate, to-wit:

1. By public auction or sealed bid;
2. Council may set a minimum bid in regard to any particular property or may waive a minimum bid if so desired;
3. A notice shall be published to advertise the sale or sealed bid which notice shall be in addition to any legal notices which may be required for the sale of City owned real estate;
4. There shall be at least one (1) publication no less than five (5) days prior to the date the property sold;
5. The publication will contain language indicating that any City property to be sold shall be sold "as is" without survey and with a Quit Claim Deed, and an abstract will be made available for review if it is available. However, the City will not provide an abstract nor update any existing abstracts in the course of the sale or transfer of City properties.

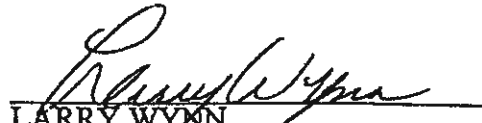
BE AND IT IS FURTHER RESOLVED that for good cause shown, the City Council may waive or modify any of the procedures set forth herein.

BE AND IT IS FURTHER RESOLVED that the Mayor and Clerk are hereby authorized to execute the proper documentation necessary.

BE AND IT IS FURTHER RESOLVED that any Resolution in conflict herewith is hereby repealed.

BE AND IT IS FURTHER RESOLVED that this Resolution be effective immediately upon its passage and approval by the Creston City Council.

PASSED AND APPROVED this 6th day of October, 19 98.


LARRY WYNN
Mayor, City of Creston

ATTEST:


MARY MOORE
Clerk, City of Creston



Stanley Consultants

COLLABORATE. CONNECT. COMPLETE.



Stanley Consultants INC.

A Stanley Group Company
Engineering, Environmental and Construction Services - Worldwide

Stanley Building
225 Iowa Avenue
Muscatine, IA 52761
ballpat@stanleygroup.com

Pat Ball
Project Principal

tel 563.264.6726
fax 563.264.6658
cell 319.551.2211

Your Roadmap to
**Iowa Nutrient Reduction
Strategy Compliance**
for Major Municipalities

Global Engineering Service Provider
Energy. Environmental. Transportation. Water.

IOWA NUTRIENT REDUCTION STRATEGY COMPLIANCE

Nutrients from agricultural, municipal, and industrial sources in Iowa impact not only State of Iowa waters but also downstream waters all the way to the Gulf of Mexico. The 2008 Gulf Hypoxia Action Plan established a goal of at least a 45% reduction in total nitrogen (TN) and total phosphorus (TP) loads to the Mississippi River from Iowa and other states along the river.

Iowa responded to this goal by issuing the Iowa Nutrient Reduction Strategy in May 2013. This strategy was developed based on research by Iowa State University on effective agricultural nutrient reduction practices as well as through the cooperation of representatives of both the non-point source and point source communities.

Point source implementation, led by the Iowa Department of Natural Resources (IDNR), has already begun through issuance of NPDES permits. Permittees will be required to achieve technology-based effluent limits which result in point source state-wide TN reductions of 4% and TP reductions of 16%. Non-point source implementation, led by the Iowa Department of Agriculture and Land Stewardship (IDALS), involves implementation of agricultural nutrient reduction practices in targeted watersheds to achieve state-wide TN reductions of 41% and TP reductions of 29%.

The flowchart on the following page illustrates typical implementation of the point source aspects of the Iowa Nutrient Reduction Strategy; the process will vary for facilities where biological nutrient removal has already been installed or is planned and/or where treatment capacity increases are under construction or planned. Typical activities in response to the strategy include planning and feasibility evaluation, permitting and funding, and implementation through design and construction.

Since 1913, Stanley Consultants has been supporting environmental, civil, electrical, and sanitary engineering needs for Iowa municipalities, businesses, and industries. The services we offer range from studies to comprehensive engineering, design, and construction management services. Recent Iowa projects include:

PLANNING AND FEASIBILITY EVALUATION

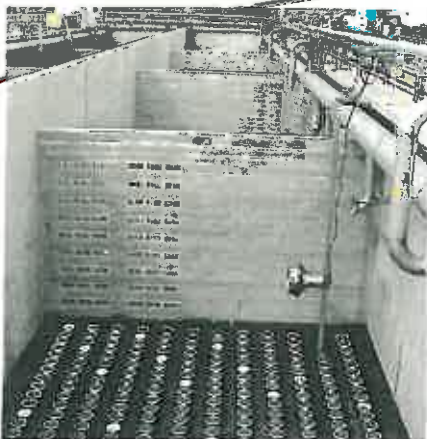
- Facility Plan Updates including nutrient reduction planning for Walcott, Fort Madison, Iowa City, and Clinton
- Collection System Plan Updates for Davenport (Deep Tunnel), Ames, Bettendorf, and Iowa City

PERMITTING SUPPORT AND FUNDING

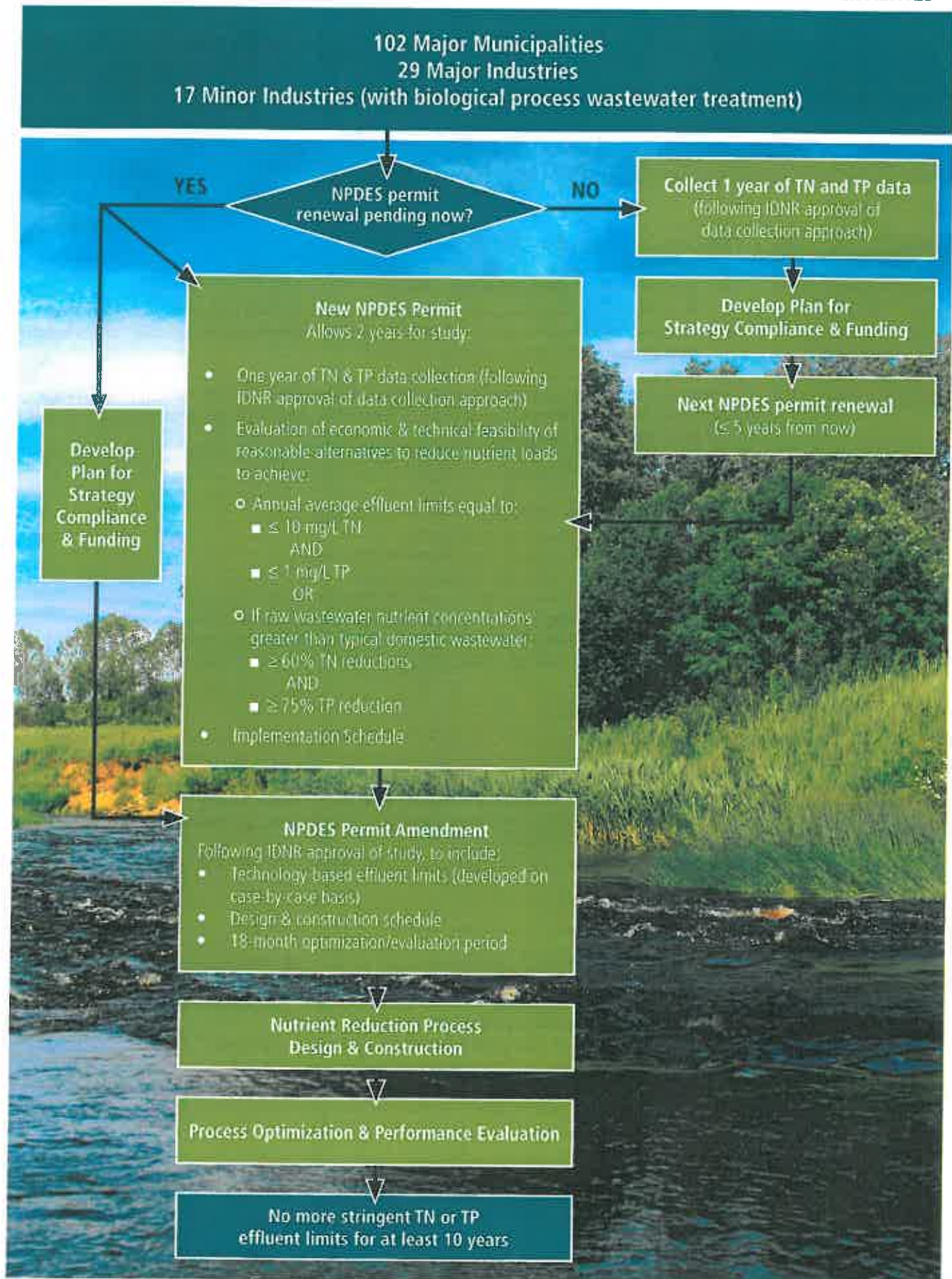
- Projects involving Federal funding from CDBG, STAG, and/or EDA for Clinton, Mason City, Davenport, Iowa City, Fort Madison, and others
- Rate system evaluation and planning for many communities
- NPDES permitting assistance for many municipal and industrial clients

NUTRIENT REDUCTION PROJECTS

- Iowa City
- Fort Madison
- Walcott



TYPICAL IOWA NUTRIENT REDUCTION STRATEGY IMPLEMENTATION FOR MAJOR MUNICIPALITIES



YOUR IOWA NUTRIENT REDUCTION TEAM

Stanley Consultants has the requisite professionals to help you comply with the Iowa Nutrient Reduction Strategy requirements. The individuals highlighted below are our "blue ribbon" team and are supported by our over 400 professionals located in the State of Iowa.



Rebecca Lance Svatos, P.E.

Becky provides detailed understanding of the Iowa Nutrient Reduction Strategy

- 29 years of environmental engineering experience
- MS, Environmental Engineering, University of Texas at Austin; BS, Civil Engineering, University of Iowa
- Extensive environmental regulatory compliance experience with municipal and industrial facilities including 14 years Iowa NPDES permit compliance experience
- Strong relationships with IDNR permit writers

Becky served as a member of the three-person point source team that worked with IDNR and the non-point source team to develop the Iowa Nutrient Removal Strategy. This allows her a perspective of the past, present, and future implications of the strategy.



Pat Ball

Pat provides the municipal perspective to negotiate strategy requirements

- 34 years of municipal wastewater experience
- MBA, University of Iowa; BBA, Mount Mercy College, Iowa
- Experience working with a wide range of stakeholders
- Direct knowledge of treatment process operational and maintenance challenges
- Experienced in working with IDNR and USEPA on regulatory and permit negotiations

Pat operated and administered large wastewater systems. This allows hands-on knowledge of political, financial, and regulatory challenges related to the Iowa Nutrient Reduction Strategy.



Henry Marquard

Henry provides extensive experience with the Iowa environmental regulatory process

- 32 years of experience in environmental law and politics including RC&D Board membership
- JD, Law, DePaul University; BA, Political Science, DePaul University
- Iowa Environmental Protection Commission - former Member and Chairman
- Political advisor to three Iowa Caucus campaigns, a former governor, and members of the Iowa legislature and local governmental units

Henry brings a unique perspective on political and public relations strategies (non-legal advising) on the regulatory process.



Jay Brady, P.E.

Jay provides extensive wastewater process expertise including nitrogen and phosphorus removal

- 24 years of environmental engineering experience
- MS, Environmental Engineering, University of Iowa; BS, Civil Engineering, University of Iowa
- Iowa Water Environment Federation - past President
- Extensive involvement with regulations on water quality policy development
- Several presentations on nutrient removal including "Nutrient Removal Treatment Upgrades – Real World Costs," Iowa Water Environment Association (IAWEA) Annual Conference, Dubuque, Iowa, June 6, 2013

Jay brings process and regulatory expertise to determine the most effective solution for your situation.

START NOW TO PREPARE FOR IOWA NUTRIENT REDUCTION STRATEGY COMPLIANCE

If you are a major municipality, you will need to comply with the Iowa Nutrient Reduction Strategy

FOR MORE INFORMATION: Contact Pat Ball, email: ballpat@stanleygroup.com, cell: (319) 351-2211

TO REVIEW THE STRATEGY: Visit: <http://www.nutrientstrategy.iastate.edu>

RESOLUTION NO. ?? – 15

RESOLUTION TO SPECIAL ASSESS NUISANCE ABATEMENT CHARGES DUE TO NON-PAYMENT BY PROPERTY OWNERS:

WHEREAS, the Creston City Council was presented with an estimate and a list of mowing nuisance abatements for the Summer of 2014, and;

WHEREAS, the City's Mowing Ordinance is advertised in the local newspaper and posted each season, and;

WHEREAS, if the length of vegetation is 12 inches or taller by the 1st and the 15th of each month, May through October, the City may mow said properties and charge the property owners, and;

WHEREAS, the City Administrator ordered the nuisances abated, and;

WHEREAS, the City Clerk billed the property owners and the City was never paid.

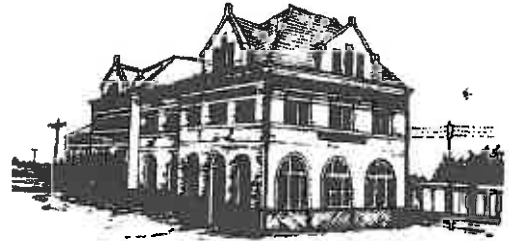
BE AND IT IS HEREBY RESOLVED that the Creston City Council approves that the charges shall be collected in the same manner as general property taxes for the properties legally described as –

308 S Maple – S ½ Lot 233 and N 4' Lot 234, OP; Parcel #24010-320-208-00	\$175.00
405 N Cherry – Lot 16, McDonald's North, Section A; Parcel #24010-390-013-00	\$175.00
415 N Jarvis – S 4 Ft Lot 64, All Lot 65 and N 10 Ft Lot 66, Railroad Addition; Parcel #24010-560-056-75	\$250.00
417 N Jarvis – N 40 Ft Lot 64, Railroad Addition; Parcel #24010-560-055-00	\$250.00
606 S Elm – Lot 150, OP; Parcel #24010-320-125-00	\$175.00
510 N Maple – Lot 1, Block 2, 1 st Northern; Parcel #24010-510-008-00	\$175.00
308 N Elm – Lot 111, OP; Parcel #24010-320-083-00	\$250.00
709 N Elm – Commencing at the NW corner of Out Lot 1, Block 2, 2nd Northern Addition, thence north 283.5 feet to point of beginning, thence east 93.35 feet, south 48 feet, west 93.35 feet and north 48 feet to point of beginning, Section 1, Range 72, Township 31; 24010-650-012-00	\$175.00

BE AND IT IS FURTHER RESOLVED that the Mayor and Clerk are hereby authorized to execute the proper documentation necessary.

City of
CRESTON, IOWA

116 W. Adams • P.O. Box 449 • Creston, IA 50801-0449
Phone 641-782-2000 • Fax 641-782-6377



Creston's Restored Depot and City Hall

July 11, 2014

TO: Mayor Woods and City Council Members

RE: Requested Street Light

Tom Eagan has been working with Denny Abel regarding lighting at the Freedom Rock located at the corner of Patriot Parkway and New York Ave.

They have requested that a new LED street lamp be placed on the existing pole adjacent to the Freedom Rock. The light will be placed toward the Freedom Rock to illuminate the rock.

Tom said that they will be placing some solar lighting for the US flag.

Alliant Energy will place the light on the pole and will charge the monthly fee of \$8.71.

This LED light will be the same size and brightness that Alliant Energy is presently using to replace the older lights around town with.

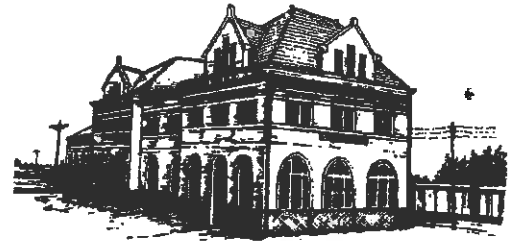
Please contact me with any questions at 782-2000 ext. 1.

Respectfully,

Kevin Kruse
Public Works Director

City of
CRESTON, IOWA

116 W. Adams • P.O. Box 449 • Creston, IA 50801-0449
Phone 641-782-2000 • Fax 641-782-6377



Noise Event Application

Event Name: Mckinley Park Festival
Date/Time of Event: 4pm - 7pm
Location of Event: Mckinley Park
Event Sponsor(s): Park n Rec Board

Contact Information:

Organization: Park n Rec Board
Contact Name: John Kawa
Address: 611 N Chestnut
Telephone Number: 344-3879
Cell Phone: " "
Fax Number: _____
Email Address: _____
Today's Date: 7/9/14

Anticipated Attendance: _____ Per Day _____ Total

Event Information:

Event Starts Date: 7/26/14 Time: 4pm Day of the Week: Sat
Event Ends Date: " " Time: 10pm Day of the Week: Sat

Please provide a map showing the event location and location of band/music, parking facilities number and location of restrooms facilities.

Please specify: _____ Band _____ DJ ☒ Other (Please specify) Fireworks / Talent Show

APPLICANT SIGNATURE: Maul Hoff

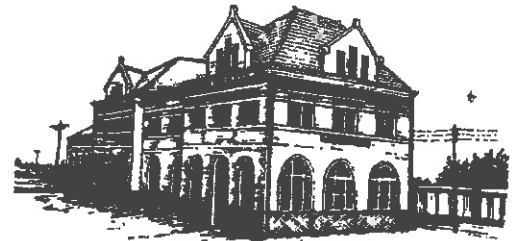
If application is received at such time that a special council meeting is called the applicant is responsible for all associated costs.

Mayor: _____

City Clerk: _____

City of
CRESTON, IOWA

116 W. Adams • P.O. Box 449 • Creston, IA 50801-0449
Phone 641-782-2000 • Fax 641-782-6377



Noise Event Application

Event Name: God's Fire Tent Revival
Date/Time of Event: months of Aug^{1st}, Sept, Oct. Every Fri @ 6pm-9pm
Location of Event: Hwy 34 & Schmaer SAT @ 4pm-8pm
Event Sponsor(s): God's Outreach Deliverance Inter

Contact Information:

Organization: God's Outreach Deliverance Inter
Contact Name: Joanna Davis
Address: 405 W. Mills
Telephone Number: (515) 249-3364
Cell Phone: SAME
Fax Number: _____
Email Address: Joanna_God1@yahoo.com
Today's Date: 7-10-14

Anticipated Attendance: 200 Per Day 400 Total

Event Information:
Event Starts Date: Aug 1st Time: Fri 6pm Day of the Week: Fri & Sat
Event Ends Date: Oct 31st Time: Sat 4pm Day of the Week: Fri & Sat

Please provide a map showing the event location and location of band/music, parking facilities number and location of restrooms facilities. On File
Please specify: ☒ Band ☐ DJ ☐ PA Sound system Other (Please specify)

APPLICANT SIGNATURE: Pastor Joanna Davis

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Mayor: _____

City Clerk: _____